

of House bill 78, known as the Lankford Sunday observance bill; to the Committee on the District of Columbia.

679. By Mr. WILLIAMS of Missouri: Petition of W. A. Burton, Fannie Bell, S. Yarbrough, Mr. and Mrs. F. O. Springer, Mr. and Mrs. W. S. Fitzwater, Mr. and Mrs. A. J. Leonard, jr., Mrs. Ella Smith, Mrs. F. E. Watson, Hy. Howell, John Ramo, and Gideon Hinkle, in opposition to House bill 78; to the Committee on the District of Columbia.

680. Also, petition of Mrs. G. E. Bell, Mrs. Minnie Thomas, Mrs. Ethel Manken, Mrs. Geneva Manken, et al., in opposition to House bill 78; to the Committee on the District of Columbia.

681. By Mr. WILLIAMSON: Petition protesting against compulsory Sunday observance, signed by Wilson Janis and other residents of Kyle, S. Dak., and vicinity; to the Committee on the District of Columbia.

682. Also, petition protesting against compulsory Sunday observance, signed by F. B. Sherwood and other residents of Cottonwood, S. Dak., and vicinity; to the Committee on the District of Columbia.

683. Also, petition protesting against compulsory Sunday observance, signed by Stanley Beck and other residents of Wasta, S. Dak., and vicinity; to the Committee on the District of Columbia.

684. Also, petition of numerous citizens of McLaughlin, S. Dak., protesting against compulsory Sunday observance; also petition of numerous citizens of Perkins County, S. Dak., protesting against compulsory Sunday observance; to the Committee on the District of Columbia.

685. Also, petition of certain residents of Lead and Central City, S. Dak., protesting against compulsory Sunday observance; to the Committee on the District of Columbia.

686. Also, petition of certain residents of Lawrence County, S. Dak., protesting against compulsory Sunday observance; to the Committee on the District of Columbia.

687. By Mr. WINGO: Petition of certain citizens of Little River County, Ark., against enactment of any Sunday observance bill for the District of Columbia; to the Committee on the District of Columbia.

688. By Mr. WOOD: Petition signed by residents of Tippecanoe County, Ind., protesting against the adoption by Congress of the Sunday observance bill; to the Committee on the District of Columbia.

689. By Mr. WURZBACH: Petition of Pauline Montimore, and other citizens of San Antonio, Tex., protesting against the passage of House bill 78 (compulsory Sunday observance bill); to the Committee on the District of Columbia.

690. Also, petition of Thomas J. Dilwood and other citizens of San Antonio, Tex., protesting against the passage of House bill 78 (compulsory Sunday observance bill); to the Committee on the District of Columbia.

691. Also, petition of Thos. P. Hamm, Mrs. P. E. Carter, and other citizens of San Antonio, Tex., protesting against the passage of House bill 78 (compulsory Sunday observance bill); to the Committee on the District of Columbia.

692. Also, petition of Blanche Ricker, D. H. Howell, A. Haughton, and other citizens, of Corpus Christi, Tex., protesting against the passage of House bill 78; to the Committee on the District of Columbia.

693. By Mr. ZIHLMAN: Petition of Charles W. Stultz, Herman Barkdall, and others, protesting against the enactment of compulsory Sunday observance legislation; to the Committee on the District of Columbia.

694. Also, petition of John H. C. Smith, Charles R. Smith, Amos Hurd, and others, protesting against the enactment of compulsory Sunday observance legislation; to the Committee on the District of Columbia.

695. Also, petition of C. C. Colliflower, Martha Williams, Nelia Glenn, and others, protesting against the enactment of compulsory Sunday observance legislation; to the Committee on the District of Columbia.

## SENATE

THURSDAY, January 5, 1928

The Chaplain, Rev. Z. Barney T. Phillips, D. D., offered the following prayer:

O Father of lights, with whom can be no variation, neither shadow that is cast by turning, send out Thy light and Thy truth that they may lead us. As the duties of another day await us we would thank Thee for Thy loving care of us, for Thy gifts of health and strength, and for the companionship of friends with minds made reverent by honest thought. Give us new hopes and cares which may supplant our own too small concerns. Make us too great for narrow creeds of right and

wrong, which fade before our unslaked thirst for good, and grant us peace serene, through Him who is the Prince of Peace, our Savior, Jesus Christ. Amen.

The legislative clerk proceeded to read the Journal of yesterday's proceedings when, on request of Mr. CURTIS and by unanimous consent, the further reading was dispensed with and the Journal was approved.

### CALL OF THE ROLL

Mr. CURTIS. Mr. President, I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Ashurst	Dill	King	Sackett
Barkley	Edge	La Follette	Sheppard
Bayard	Ferris	McKellar	Shipstead
Bingham	Fess	McLean	Shortridge
Black	Fletcher	McMaster	Smoot
Blaine	Frazier	McNary	Steak
Blaise	George	Mayfield	Steiwer
Borah	Gerry	Metcalf	Swanson
Bratton	Gould	Moses	Thomas
Brookhart	Greene	Neely	Tydings
Broussard	Hale	Norbeck	Tyson
Bruce	Harris	Norris	Wagner
Capper	Harrison	Nye	Walsh, Mass.
Caraway	Hawes	Oddie	Walsh, Mont.
Copeland	Hayden	Overman	Waterman
Couzens	Heflin	Pine	Watson
Curtis	Howell	Pittman	Wheeler
Cutting	Johnson	Ransdell	Willis
Dale	Jones	Robinson, Ark.	
Deneen	Keyes	Robinson, Ind.	

The VICE PRESIDENT. Seventy-eight Senators having answered to their names, a quorum is present.

### ADJOURNMENT TO MONDAY

Mr. CURTIS. Mr. President, there is but one measure on the calendar, and I ask unanimous consent that when the Senate adjourns to-day it adjourn to meet on Monday next at 12 o'clock.

The VICE PRESIDENT. Is there objection?

Mr. ROBINSON of Arkansas. I have no objection to that arrangement, Mr. President.

The VICE PRESIDENT. Without objection, it is so ordered.

### INTERNATIONAL PARLIAMENTARY CONFERENCE OF COMMERCE

The VICE PRESIDENT laid before the Senate a communication from the general secretary of the International Parliamentary Conference of Commerce, dated Brussels, November 1, 1927, inviting Congress to be represented at the fourteenth general assembly of the conference to be held on the 19th of June next and following days at the Palais du Sénat, at Paris, which was referred to the Committee on Foreign Relations.

### COL. CHARLES A. LINDBERGH

The VICE PRESIDENT laid before the Senate a communication from the Secretary of State, transmitting a letter of congratulation from the presiding officer of the Hungarian Parliament with respect to the transatlantic flight of Col. Charles A. Lindbergh, which, with the accompanying papers, was referred to the Committee on Foreign Relations.

### NOBEL PEACE PRIZE

The VICE PRESIDENT laid before the Senate a communication from the Secretary of State relative to suggestion of candidates for the Nobel peace prize to be laid before the Nobel committee of the Norwegian Parliament, which, with the accompanying paper, was referred to the Committee on Foreign Relations.

### WITHDRAWALS AND RESTORATIONS OF PUBLIC LANDS

The VICE PRESIDENT laid before the Senate a communication from the Secretary of the Interior, transmitting, pursuant to law, copy of a letter from the Commissioner of the General Land Office, with an accompanying report of withdrawals and restorations of public lands, which was referred to the Committee on Public Lands and Surveys.

### CIVIL-SERVICE RETIREMENT AND DISABILITY FUND

The VICE PRESIDENT laid before the Senate a communication from the Acting Secretary of the Interior, transmitting, pursuant to law, the seventh annual report of the board of actuaries of the civil-service retirement and disability fund, which was referred to the Committee on Civil Service.

### PURCHASE OF DESIGNS, AIRCRAFT, AIRCRAFT PARTS, ETC.

The VICE PRESIDENT laid before the Senate a communication from the Secretary of the Navy, transmitting, pursuant to law, a report of designs, aircraft, aircraft parts, and aeronautical accessories purchased by the Navy Department during the fiscal year ended June 30, 1927, the price paid therefor, the

reason for the award in each case, and the names and addresses of all competitors in the various competitions held by the Navy, which was referred to the Committee on Naval Affairs.

#### JOINT COMMITTEE ON INTERNAL REVENUE TAXATION

The VICE PRESIDENT laid before the Senate a communication from the chairman of the Joint Committee on Internal Revenue Taxation, transmitting, pursuant to law, a report of the joint committee's operations, which was referred to the Committee on Finance.

#### OFFICERS DELINQUENT IN RENDERING ACCOUNTS

The VICE PRESIDENT laid before the Senate a report of the Comptroller General of the United States, submitted pursuant to law, showing officers who were delinquent in rendering or transmitting accounts to the proper offices in Washington during the fiscal year ended June 30, 1927, the cause therefor and whether the delinquency was waived, together with a list of such officers who, upon final settlement of their accounts, were found to be indebted to the Government and had failed to pay the same into the Treasury of the United States, which was referred to the Committee on Finance.

#### SETTLEMENT OF SHIPPING BOARD CLAIMS

The VICE PRESIDENT laid before the Senate a communication from the chairman of the United States Shipping Board, transmitting, pursuant to law, a report of claims arbitrated or settled by agreement from October 16, 1926, to October 15, 1927, by the United States Shipping Board and/or the United States Shipping Board Merchant Fleet Corporation, which was referred to the Committee on Commerce.

#### P. L. ANDREWS CORPORATION v. THE UNITED STATES (S. DOC. NO. 38)

The VICE PRESIDENT laid before the Senate a communication from the assistant clerk of the Court of Claims, transmitting, pursuant to law, a certified copy of the findings of fact and conclusion filed by the court in the cause of the P. L. Andrews Corporation v. The United States, which was referred to the Committee on Claims and ordered to be printed.

#### PETITIONS AND MEMORIALS

Mr. McLEAN presented the following joint resolution of the General Assembly of the State of Connecticut, which was referred to the Committee on Finance:

Senate Joint Resolution 36, requesting the Congress of the United States to repeal the provisions of the revenue act of 1926 which pertain to the taxation of estates

#### Resolved by this assembly—

Whereas by the provisions of the Federal revenue act of 1926, which impose taxes on the estates of deceased persons, this State is being subjected to a form of coercion in order to compel the imposition of State death taxes at rates higher than its citizens desire to impose upon themselves for their own needs and benefit; and

Whereas any form of coercion, or financial inducement to States, by Federal authority is in distinct conflict with the spirit of our constitutional government, is offensive to sound policy, and is destructive of the responsibility of citizens and of States with respect to the power to levy taxes, the most vital of the powers which inhere in government; and

Whereas joint levies of taxes by the Federal Government on the one hand and by the States of the Union on the other hand, are unprecedented in the history of this country, and are particularly offensive when the Federal enactment operates in any way to influence or control the exercise of sovereignty by the respective States: Therefore be it

Resolved, That it is the judgment of the general assembly that the Congress of the United States should forthwith repeal the provisions of the revenue act of 1926 which impose taxes on the estates of deceased persons, leaving this field of taxation exclusively to the States of the Union in times of peace; be it further

Resolved, That certified copies of this resolution be forwarded to the Senators and Representatives from this State in the Congress of the United States, and they are hereby requested to spread these resolutions in the CONGRESSIONAL RECORD, or to select such other means as may be appropriate to apprise the Senators and Representatives of other States of the contents hereof.

Approved April 29, 1927.

STATE OF CONNECTICUT,  
Office of the Secretary, ss:

I, Francis A. Pallotti, secretary of the State of Connecticut, and keeper of the seal thereof, and of the original record of the acts and resolutions of the general assembly of said State, do hereby certify that I have compared the annexed copy of the resolution requesting the Congress of the United States to repeal the provisions of the revenue act of 1926 which pertain to the taxation of estates with the original record of the same now remaining in this office, and have found the said copy to be a correct and complete transcript thereof.

And I further certify that the said original record is a public record of the said State of Connecticut, now remaining in this office.

In testimony whereof, I have hereunto set my hand and affixed the seal of said State, at Hartford, this 22d day of November, 1927.

[SEAL.]

FRANCIS A. PALLOTTI, Secretary.

Mr. McLEAN also presented a letter in the nature of a petition from the Chamber of Commerce of Greenwich, Conn., praying for the passage of legislation prohibiting the sending of unsolicited merchandise through the mails, which was referred to the Committee on Post Offices and Post Roads.

He also presented letters in the nature of petitions from Nathan Hale Camp, No. 1, and Admiral Foote Camp, No. 17, both Sons of Veterans, U. S. A., of New Haven, Conn., praying for the passage of legislation to transform the old Ford Theater, in the city of Washington, into a museum to house the Lincoln relics recently purchased by the Government, and to provide a meeting place for the Grand Army of the Republic and its auxiliary organizations, which were referred to the Committee on the Library.

He also presented letters in the nature of petitions from sundry citizens of Hartford, New Haven, and New London, all in the State of Connecticut, praying for the passage of legislation restoring to the medical profession the right to prescribe any form of intoxicating liquor to patients and in any quantity which their professional judgment may dictate, which were referred to the Committee on the Judiciary.

Mr. GREENE presented resolutions adopted by the board of selectmen of the town of Alburg, Vt., favoring the passage of legislation authorizing the construction and operation by the Gulf Coast Properties (Inc.) of a bridge across Lake Champlain, connecting the towns of Alburg, Vt., and Rouses Point, N. Y., which were referred to the Committee on Commerce.

Mr. LA FOLLETTE presented memorials numerous signed by sundry citizens of the State of Wisconsin, remonstrating against the passage of legislation providing for compulsory Sunday observance in the District of Columbia, which were referred to the Committee on the District of Columbia.

Mr. JONES presented petitions of sundry citizens of Seattle, Wash., praying for the repeal of the United States marine inspection laws controlling the operation of steam vessels, their captains and crews, which were referred to the Committee on Commerce.

He also presented memorials of sundry citizens of Ferndale and King County, in the State of Washington, remonstrating against the passage of legislation providing for compulsory Sunday observance in the District of Columbia, which were referred to the Committee on the District of Columbia.

#### PROTECTION OF WATERSHEDS OF NAVIGABLE STREAMS

Mr. NEELY. Mr. President, I ask unanimous consent to have read from the clerk's desk and referred to the Committee on Agriculture and Forestry a telegram, to which I would like the attention of the chairman of the Committee on Agriculture and Forestry [Mr. McNARY].

There being no objection, the telegram was read and referred to the Committee on Agriculture and Forestry, as follows:

MORGANTOWN, W. VA., January 4, 1928—10.40 p. m.

Senator M. M. NEELY,

Senate Office Building, Washington, D. C.:

Our organization has previously indorsed the McNary-Woodruff bill, which comes up before the Senate Committee on Agriculture and Forestry to-day. This means much to West Virginia. The Monongahela National Forest will benefit. We urge that you see that this communication is placed in the hands of the committee to-day to be placed on record.

THOMAS W. SKUCE,

Secretary West Virginia Association of Foresters.

#### THE DIRECT-PRIMARY SYSTEM

Mr. CAPPER presented a resolution adopted by the National Grange at its recent annual convention, which was ordered to be printed in the RECORD, as follows:

Resolution adopted at the annual convention of the National Grange, Cleveland, Ohio, November 17, 1927

Whereas the enemies of popular government have for years been making a nation-wide campaign to discredit and repeal the direct-primary system of making nominations for public office; and

Whereas there is no argument against the primary system that can not be used with equal force against our system of conducting general elections: Therefore be it

Resolved, That the National Grange in session at Cleveland, believing in the fundamental principles of Americanism, pledges its hearty support to the maintenance of the primary system.



## REPORTS OF THE COMMITTEE ON INTEROCEANIC CANALS

Mr. EDGE, from the Committee on Interoceanic Canals, to which was referred the bill (S. 1946) relative to the pay of certain retired warrant officers and enlisted men and warrant officers and enlisted men of the reserve forces of the Army, Navy, Marine Corps, and the Coast Guard, fixed under the terms of the Panama Canal act, as amended, reported it without amendment.

He also, from the same committee, to which was referred the bill (S. 1256) to amend the Penal Code of the Canal Zone, reported it with amendments and submitted a report (No. 8) thereon.

## ENROLLED BILL AND JOINT RESOLUTIONS PRESENTED

Mr. GREENE, from the Committee on Enrolled Bills, reported that on December 21, 1927, that committee presented to the President of the United States an enrolled bill and enrolled joint resolutions of the following titles:

S. 1397. An act amending section 1044 of the Revised Statutes of the United States, as amended by the act approved November 17, 1921 (ch. 124, 42 Stat. L. 220);

S. J. Res. 48. Joint resolution providing for the filling of a vacancy in the Board of Regents of the Smithsonian Institution of the class other than Members of Congress; and

S. J. Res. 49. Joint resolution providing for the filling of a vacancy in the Board of Regents of the Smithsonian Institution of the class other than Members of Congress.

## BILLS AND JOINT RESOLUTIONS INTRODUCED

Bills and joint resolutions were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. SHEPPARD:

A bill (S. 2256) authorizing the President to order Clifton E. High, late first lieutenant, Medical Corps, United States Army, before a retiring board for a hearing of his case, and upon the findings of such board determine whether or not he be placed on the retired list with the rank and pay held by him at the time of his resignation; to the Committee on Military Affairs.

By Mr. BLACK:

A bill (S. 2257) granting the consent of Congress to the State Highway Department of the State of Alabama to construct a bridge across the Coosa River near Wetumpka, Elmore County, Ala.; to the Committee on Commerce.

By Mr. TYSON:

A bill (S. 2258) to give war-time rank to certain officers on the retired list of the Army; to the Committee on Military Affairs.

By Mr. DILL (by request):

A bill (S. 2259) granting first preference to World War veterans in all departments of the Government; to the Committee on Finance.

A bill (S. 2260) granting a pension to Peter Taylor; to the Committee on Pensions.

By Mr. COPELAND:

A bill (S. 2261) for the relief of Edna B. Erskine;  
A bill (S. 2262) to refund \$927 to the Architectural League of New York;

A bill (S. 2263) for the relief of A. R. Free; and  
A bill (S. 2264) for the relief of Ollie Keeley; to the Committee on Claims.

A bill (S. 2265) granting an increase of pension to Jacob Bruno; to the Committee on Pensions.

By Mr. TYDINGS:

A bill (S. 2266) to amend an act entitled "An act placing certain noncommissioned officers in the first grade," approved March 3, 1927; to the Committee on Military Affairs.

A bill (S. 2267) authorizing the granting of pensions to dependents of the officers and men who lost their lives by the sinking of the United States submarines S-51 and S-4 in twice the amount due under existing law in each case; to the Committee on Naval Affairs.

A bill (S. 2268) for the relief of William Zeiss, administrator of William B. Reaney, survivor of Thomas Reaney and Samuel Archbold; and

A bill (S. 2269) for the relief of Alice Hipkins; to the Committee on Claims.

A bill (S. 2270) granting an increase of pension to Carrie E. Costinett; to the Committee on Pensions.

By Mr. KING:

A bill (S. 2271) to permit the admission, as nonquota immigrants, of certain alien wives and children of United States citizens; to the Committee on Immigration.

A bill (S. 2272) to amend section 4132, as amended, of the Revised Statutes; to the Committee on Commerce.

By Mr. PINE:

A bill (S. 2273) to refer the claims of the loyal Creek Indians to the Court of Claims, with the right of appeal to the Supreme Court of the United States; to the Committee on Indian Affairs.

By Mr. EDGE:

A bill (S. 2274) for the relief of William H. Chambliss; to the Committee on Claims.

A bill (S. 2275) granting compensation to Wallace B. Bogart; to the Committee on Finance.

By Mr. HARRIS:

A bill (S. 2276) authorizing the purchase of a site and the erection thereon of a national home for soldiers and sailors of all wars; to the Committee on Military Affairs.

By Mr. CAPPER:

A bill (S. 2277) relating to giving false information regarding the commission of crime in the District of Columbia; and

A bill (S. 2278) to define, regulate, and license real-estate brokers and real-estate salesmen; to create a real-estate commission in the District of Columbia, and to provide a penalty for a violation of the provisions thereof; to the Committee on the District of Columbia.

By Mr. FRAZIER:

A bill (S. 2279) authorizing the Secretary of the Interior to purchase certain lands in the city of Bismarck, Burleigh County, N. Dak., for Indian school purposes; to the Committee on Indian Affairs.

A bill (S. 2280) to authorize the coinage of Longfellow 1-cent pieces; to the Committee on Banking and Currency.

By Mr. McLEAN:

A bill (S. 2281) granting a pension to Imogene Ellsworth (with accompanying papers); to the Committee on Pensions.

By Mr. JONES:

A bill (S. 2282) granting a pension to Mary E. Truesdale (with accompanying papers); to the Committee on Pensions.

A bill (S. 2283) for the relief of Belle Piper Miller; to the Committee on Finance.

By Mr. GOULD:

A bill (S. 2284) granting an increase of pension to Mary E. Thurston (with accompanying papers); to the Committee on Pensions.

By Mr. SHIPSTEAD:

A bill (S. 2285) granting a pension to August Rieke (with accompanying papers); and

A bill (S. 2286) granting a pension to Frank Schwartz (with accompanying papers); and

A bill (S. 2287) granting a pension to Hannah Case (with accompanying papers); to the Committee on Pensions.

A bill (S. 2288) authorizing the payment of war-risk insurance to Bertha M. Smith; to the Committee on Finance.

A bill (S. 2289) authorizing the Secretary of the Navy, in his discretion, to deliver to the custody of the Veterans of Foreign Wars of the United States, Department of Minnesota, the bell formerly on the old cruiser *Minneapolis*; to the Committee on Naval Affairs.

By Mr. WAGNER:

A bill (S. 2290) for the relief of Regina Schoor; and  
A bill (S. 2291) for the relief of certain seamen who are judgment creditors of the Black Star Line (Inc.) for wages earned; to the Committee on Claims.

By Mr. WILLIS:

A bill (S. 2292) providing for the employment of certain civilian assistants in the office of the Governor General of the Philippine Islands, and fixing salaries of certain officials; to the Committee on Territories and Insular Possessions.

By Mr. SACKETT:

A bill (S. 2293) to authorize the construction of a George Rogers Clark Memorial Lighthouse on the Ohio River at, or adjacent to, the city of Louisville, Ky.; to the Committee on the Library.

By Mr. MOSES:

A bill (S. 2294) to amend the first paragraph of section 7 of the act entitled "An act reclassifying the salaries of postmasters and employees of the Postal Service, readjusting their salaries and compensation on an equitable basis, increasing postal rates to provide for such readjustment, and for other purposes," approved February 28, 1925; to the Committee on Post Offices and Post Roads.

By Mr. BLEASE:

A joint resolution (S. J. Res. 65) to amend the Constitution of the United States so as to prohibit the intermarriage of certain races; to the Committee on the Judiciary.

By Mr. FESS:

A joint resolution (S. J. Res. 66) authorizing an additional appropriation to be used for the memorial building provided for by a joint resolution entitled "Joint resolution in relation to a monument to commemorate the services and sacrifices of the women of the United States of America, its insular possessions, and the District of Columbia in the World War," approved June 7, 1924; to the Committee on the Library.

By Mr. CAPPER:

A joint resolution (S. J. Res. 67) directing the Interstate Commerce Commission to take action relative to adjustment of freight rates upon export grain and grain products moved by common carriers subject to the interstate commerce act, and the fixing of rates and charges; to the Committee on Interstate Commerce.

#### CHANGE OF REFERENCE

On motion of Mr. CAPPER, the Committee on Finance was discharged from the further consideration of the bill (S. 1706) to amend section 5219 of the Revised Statutes, as amended, and it was referred to the Committee on Banking and Currency.

#### AMENDMENT TO INTERIOR DEPARTMENT APPROPRIATION BILL

Mr. FRAZIER submitted an amendment proposing to appropriate \$15,000 for the relief of distress among the needy Indians of the Turtle Mountain Band, North Dakota, intended to be proposed by him to the Interior Department appropriation bill for the fiscal year 1929, which was referred to the Committee on Appropriations and ordered to be printed.

#### INVESTIGATION OF AFFAIRS IN NICARAGUA

Mr. WHEELER. I send to the desk a resolution and ask that the clerk may read it.

The Chief Clerk read the resolution (S. Res. 102), as follows:

Whereas the executive branches of this Government have been and are now carrying on a war in Nicaragua without the Congress of the United States first having declared war as is provided by the provisions of Article I of the Constitution of the United States; and

Whereas American boys connected with the Marine Corps of this Government are being killed in said warfare so being made and carried on in violation of the Constitution because of mismanagement and inadequate protection being afforded them; and

Whereas it is claimed by the executive branches of our Government that said boys are in Nicaragua to protect American investments and concessions in said country; and

Whereas the claim has been made that some of the investments are based on concessions obtained by questionable and unconscionable methods owing to the lack of capital in the Republic of Nicaragua; and

Whereas such investments and concessions, if unjust in their terms endanger legitimate business not only in Nicaragua but in other foreign countries; and

Whereas American investments abroad, already amounting to many billions of dollars, are increasing rapidly and controversies regarding the rights and duties of holders of such concessions constitute an increasingly important part of our foreign relations and produce tensions which may easily lead to war; and

Whereas statements purporting to be issued by the executive branches of our Government, or by the spokesman for the White House, were published in the newspapers of the country to the effect that our armed forces in Nicaragua were to be strictly neutral as between the contending forces in that country; and

Whereas subsequent events clearly show that our armed forces have not acted as neutrals but have taken an active part in a controversy wholly within and affecting solely the rights of the people of a friendly nation in defiance of every fundamental principle upon which this Government was founded: Therefore be it

*Resolved*, That the Committee on Foreign Relations, or any duly authorized subcommittee thereof, is authorized to investigate the terms and conditions under which concessions have been procured in Nicaragua by United States citizens and by corporations and other associations in which United States citizens are financially interested, and the nature and extent of such concessions, with particular reference to (1) the source and sanction of such concessions, and (2) the principal aspects of public policy involved in the treatment, as property rights for purposes of diplomatic protection of such concessions.

*Resolved further*, That the said Committee on Foreign Relations or any duly authorized subcommittee thereof is authorized to investigate who ordered the marines to be sent to Nicaragua, why they were sent there, why they have been kept there, why they have not acted as neutrals, whether or not it is the purpose of the executive branches of our Government to continue to usurp the power of Congress given it by the Constitution of the United States, namely, the power to declare war, and any other matter or thing which to the committee or a subcommittee thereof may seem meet and proper in the premises.

For the purposes of this resolution such committee or subcommittee is authorized to hold hearings, to sit and act at such times and places, to employ such experts and clerical, stenographic, and other assistants, to require by subpoena or otherwise the attendance of such witnesses and the production of such books, papers, and documents, to administer such oaths, and to take such testimony and to make such expenditures as it deems advisable. The cost of stenographic service to report such hearings shall not be in excess of 25 cents per hundred words. The expenses of such committee or subcommittee shall not exceed \$30,000, and shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman of such committee or subcommittee. Such committee or subcommittee shall make a final report to the Senate as to its findings.

Mr. WHEELER. Mr. President, I ask that the resolution be referred to the Committee on Foreign Relations at this time, but I give notice that at a later date I shall have something further to say concerning the resolution and the situation in Nicaragua.

The VICE PRESIDENT. The resolution will be referred to the Committee on Foreign Relations.

JANIE HARRIS

Mr. LA FOLLETTE submitted the following resolution (S. Res. 103), which was referred to the Committee to Audit and Control the Contingent Expenses of the Senate:

*Resolved*, That the Secretary of the Senate hereby is authorized and directed to pay from the contingent fund of the Senate to Janie Harris, widow of Albert Harris, late a waiter in the employ of the Senate, a sum equal to six months' compensation at the rate he was receiving by law at the time of his death, said sum to be considered inclusive of funeral expenses and all other allowances.

#### HEARINGS BEFORE THE PRIVILEGES AND ELECTIONS COMMITTEE

Mr. SHORTRIDGE submitted the following resolution (S. Res. 104), which was referred to the Committee to Audit and Control the Contingent Expenses of the Senate:

*Resolved*, That the Committee on Privileges and Elections, or any subcommittee thereof, hereby is authorized during the Seventieth Congress to send for persons, books and papers, to administer oaths, and to employ a stenographer, at a cost not to exceed 25 cents per 100 words; to report such hearings as may be had in connection with any subject which may be before said committee, the expenses thereof to be paid out of the contingent fund of the Senate, and that the committee, or any subcommittee thereof, may sit during the sessions or recesses of the Senate.

#### WITHDRAWAL OF PAPERS—CHESTER R. HOPPER

Mr. COPELAND. I ask unanimous consent that the Secretary of the Senate be authorized to return to Chester R. Hopper the affidavits and papers filed by him in connection with the bill for his relief, being the bill (S. 1009) granting a pension to Chester R. Hopper, which failed of passage in the Sixty-ninth Congress.

The VICE PRESIDENT. Without objection, it is so ordered.

#### PRESIDENTIAL APPROVALS

A message from the President of the United States, by Mr. Latta, one of his secretaries, announced that the President had approved and signed the following joint resolutions and act:

On December 21, 1927:

S. J. Res. 48. Joint resolution providing for the filling of a vacancy in the Board of Regents of the Smithsonian Institution of the class other than Members of Congress; and

S. J. Res. 49. Joint resolution providing for the filling of a vacancy in the Board of Regents of the Smithsonian Institution of the class other than Members of Congress.

On December 27, 1927:

S. 1397. An act amending section 1044 of the Revised Statutes of the United States, as amended by the act approved November 17, 1921 (ch. 124, 42 Stat. L. 220).

#### CLAIM OF NORWAY FOR REPRESENTATION OF AMERICAN INTERESTS IN MOSCOW (S. DOC. NO. 37)

The VICE PRESIDENT laid before the Senate the following message from the President of the United States, which was read, and, with the accompanying papers, referred to the Committee on Foreign Relations and ordered to be printed:

*To the Congress of the United States:*

I transmit herewith a report from the Secretary of State in relation to a claim presented by the Government of Norway for the payment of interest on certain sums advanced by it for this Government in connection with its representation of American interests in Moscow, and I recommend that an appropriation be authorized to effect a settlement of this claim in accordance with the recommendation of the Secretary of State.

THE WHITE HOUSE, January 5, 1928.

CALVIN COOLIDGE.



## EIGHTH INTERNATIONAL DAIRY CONGRESS (S. DOC. NO. 36)

The VICE PRESIDENT laid before the Senate the following message from the President of the United States, which was read, and, with the accompanying papers, referred to the Committee on Foreign Relations and ordered to be printed:

To the Congress of the United States:

I transmit herewith a report from the Secretary of State concerning participation by the Government of the United States in the Eighth International Dairy Congress, which will be held in Great Britain in June-July, 1928, under the patronage of His Majesty King George V.

Concurring in the view of the Secretary of State and the Secretary of Agriculture, as stated in the report, I request of Congress legislation authorizing acceptance of the invitation of the British Government to the Government of the United States to appoint delegates to that congress, and an appropriation of \$10,000, or so much thereof as may be necessary, for the payment of the expenses of delegates.

CALVIN COOLIDGE.

THE WHITE HOUSE, January 5, 1928.

## COMMITTEE SERVICE

Mr. ROBINSON of Arkansas. Mr. President, the senior Senator from New Mexico [Mr. BRATTON] has asked to be relieved from further service upon the Committee on Territories and Insular Possessions. I ask that an order to that effect may be entered.

The VICE PRESIDENT. Without objection, the order will be made.

Mr. ROBINSON of Arkansas. I ask that the senior Senator from New Mexico [Mr. BRATTON] may be assigned to service upon the Committee on Appropriations.

The VICE PRESIDENT. Without objection, it is so ordered.

Mr. ROBINSON of Arkansas. I also ask that the senior Senator from New Mexico [Mr. BRATTON] may be assigned to the minority vacancy upon the Committee on Public Lands and Surveys.

The VICE PRESIDENT. Without objection, it is so ordered.

Mr. ROBINSON of Arkansas. The Senator from Oklahoma [Mr. THOMAS] asks to be relieved from further service upon the Committee on Post Offices and Post Roads.

The VICE PRESIDENT. Without objection, it is so ordered.

Mr. ROBINSON of Arkansas. I ask that the Senator from Oklahoma [Mr. THOMAS] be assigned to the minority vacancy upon the Committee on Finance.

The VICE PRESIDENT. Without objection, it is so ordered.

Mr. ROBINSON of Arkansas. I ask that the junior Senator from Maryland [Mr. TRIDINGS] be assigned to the minority vacancy upon the Committee on Territories and Insular Possessions.

The VICE PRESIDENT. Without objection, it is so ordered.

Mr. ROBINSON of Arkansas. I ask that the senior Senator from Arkansas [Mr. ROBINSON] be assigned to the Committee on Post Offices and Post Roads.

The VICE PRESIDENT. Without objection, it is so ordered.

## THE TARIFF

The VICE PRESIDENT. If there be no further concurrent or other resolutions, the Chair lays before the Senate a resolution coming over from a preceding day, which will be read.

The Chief Clerk read the resolution (S. Res. 52) submitted by Mr. McMASTER on December 13, 1927, as follows:

*Resolved*, That the United States Senate favors an immediate lowering of tariff schedules, and tariff legislation, embodying lowered schedules, should be considered and enacted during the present session of Congress; be it further

*Resolved*, That a copy of this resolution be transmitted to the House of Representatives.

Mr. CURTIS. Mr. President, I ask unanimous consent that the resolution may go over until Monday without prejudice, and that it be taken up Monday for disposition.

Mr. McMASTER. Mr. President, I will say in regard to the request of the Senator from Kansas that a number of Senators who are interested in the resolution deem it advisable that it shall go over until Monday. Therefore, I gladly accede to the request of the Senator from Kansas.

The VICE PRESIDENT. Without objection, it is so ordered.

## ARTICLE BY HON. HENRIK SHIPSTEAD

Mr. NORRIS. Mr. President, there is an article in Current History for September, 1927, written by the senior Senator from Minnesota [Mr. SHIPSTEAD], entitled "Dollar diplomacy in Latin America," which shows a great deal of research and

gives a great deal of valuable information. I ask unanimous consent that it may be printed in the Record at this point.

The VICE PRESIDENT. Without objection, it is so ordered. The article is as follows:

## "DOLLAR DIPLOMACY" IN LATIN AMERICA

By HENRIK SHIPSTEAD, member of the Foreign Relations Committee of the United States Senate.

The Monroe doctrine is dead, and has been dead for many years. It lived only as long as its original spirit was followed. That spirit was the protection of human liberty. It was departed from by the United States in her policy toward Latin America fully 25 years ago. To-day the Monroe doctrine remains only as a diplomatic subterfuge. Its ideals are being used as a cloak to cover acts subversive of human liberty and contrary to the institutions and traditions of our Nation.

At the beginning of the nineteenth century new political principles were challenging the existing order of society. The thirteen American Colonies had revolted against the European monarchical system; the French Revolution had thrown down a firebrand into the heart of Europe itself; and in Central and South America republicanism was advancing by leaps and bounds. This new confession of political faith which was overturning the world was best expressed in our great Declaration of Independence, wherein it is stated that we dedicate ourselves and the soil of America to the principle that governments receive their powers "only from the consent of the governed."

The treaty of the Holy Alliance had been signed by the leading monarchs of Europe with the main objective of building a barricade against the spread of this new theory of government. President Monroe and other American statesmen of the time looked upon this alliance, with its determination to maintain and extend the European colonial system, as a threat against the freedom of the whole western continent.

Accordingly there was enunciated a policy on behalf of the United States Government to the effect that any attempt on the part of European powers to interfere with the governments of our sister Republics in the western continent would be met with the armed resistance of the United States. In the same message President Monroe stated clearly what was to be the relation of the United States toward these Republics. "It is still the true policy of the United States," he said, "to leave the parties—the sister Republics—to themselves, in the hope that other powers will pursue the same course."

This was the famous Monroe doctrine. No statement of public policy has ever at its inception been more purely and unselfishly dedicated to a political ideal. It has been restated again and again, by successive Presidents and Secretaries of State. For instance, John W. Foster, Secretary of State in Harrison's Cabinet, in an address entitled "Misconceptions and Limitations of the Monroe Doctrine" before the American Society of International Law, said: "If the Monroe doctrine did not contain a high moral principle of ethics and government which commanded the respect of all civilized nations we could not build a Navy vast enough nor create an Army large enough to enforce it against the hostile sentiment of the great powers of Europe."

During the past 25 years, however, much confusion has arisen regarding this historic policy, even in the minds of the statesmen who were conducting it. President Wilson, addressing the Southern Commercial Congress at Mobile on October 27, 1913, said, in speaking of the Latin-American Republics:

"They have had harder bargains driven with them in the matter of loans than any other people in the world. Interest has been exacted of them that was not exacted of anybody else, because the risk was said to be greater; and then securities were taken that destroyed the risk. An admirable arrangement for those who were forcing the terms. I rejoice in nothing so much as in the prospect that they will now be emancipation from these conditions, and we ought to be the first to take part in assisting in that emancipation. \* \* \* We must prove ourselves their friends and champions upon terms of equality and honor. \* \* \* Human rights, national integrity and opportunity as against material interests—that is the issue which we now have to face. \* \* \* We must regard it as one of the duties of friendship to see that from no quarter are material interests made superior to human liberty and national opportunity."

On August 30, 1923, Charles Evans Hughes, then Secretary of State in the Harding Cabinet, in an address before the American Bar Association assembled in convention in Minneapolis, made these high professions:

"The Monroe doctrine does not attempt to establish a protectorate over Latin-American states. \* \* \* I utterly disclaim as unwarranted the observations which occasionally have been made implying a claim on our part to superintend the affairs of our sister Republics, to assert an overlordship, to consider the spread of our authority beyond our own domain as the aim of our policy, and to make our power the test of right in this hemisphere. I oppose all such misconceived and unsound assertions and intimations. They do not express our national purpose; they belie our sincere friendship; they are false to the fundamental principles of our institutions and of our foreign policy, which has sought to reflect, with rare exceptions, the ideals of

liberty; they menace us by stimulating a distrust which has no real foundation. They find no sanction whatever in the Monroe doctrine. There is room in this hemisphere, without danger of collision, for complete recognition of that doctrine and the independent sovereignty of the Latin-American Republics."

What was the cause of the last two rather heated restatements of the spirit of the Monroe doctrine? What had been done since the lofty expressions of John W. Foster to call forth the above indictment from President Wilson or the violent protest of Mr. Hughes?

#### PRESIDENT TAFT'S VIEW

Viallate, in his *Economic Imperialism* (p. 62), quotes William Howard Taft, who in the meantime had also been President, as stating our Latin-American policy as follows:

"While our policy should not be turned a hairbreadth from the straight path of justice, it may well be made to include *intervention to secure for our merchants and our capitalists opportunity for profitable investments which shall inure to the benefit of both countries.*" (Senate hearings on "Foreign loans," p. 86. The italics are mine.)

It is to Theodore Roosevelt that we must look for a solution of this apparent contradiction of aims and policies. Under President Roosevelt the spirit of the Monroe doctrine suffered a fundamental change. Until his administration the European powers had been left free to collect their own loans and protect their own nationals and property in the Latin-American countries. For over 80 years European governments had from time to time bombarded Latin-American ports and landed troops on Latin-American territory to enforce settlement of disputes; and our diplomacy had always allowed a reasonable time to elapse before the Monroe doctrine was strictly applied. One of the chief results of this was that the enmity of the Latin-American Republics rested on the direct aggressors.

But President Roosevelt initiated the policy of making the United States the "policeman of the Western Continent." The assumption which he raised was that it was our duty to use the military forces of the United States to insure the settlement of all disputes in Latin America and to protect European as well as American life and property there if they were endangered; that if we did not do so the European powers would come in, would stay permanently on the Western Continent, and so would threaten our national safety. The Monroe doctrine was stretched to cover this new policy. At once Latin-American enmity began to rest on the United States alone, since we were the policeman in all difficulties.

Obviously the Roosevelt policy itself was nothing but an indication of a fundamental change in our own attitude toward Latin America. From this it was only a logical step to the policy of President Taft, Roosevelt's successor—"intervention to secure for our merchants and our capitalists opportunity for profitable investments."

At the beginning of President Wilson's first administration we had made such progress in this direction and the Monroe doctrine had been stretched so far that John Callan O'Laughlin, First Assistant Secretary of State under President Roosevelt and at present editor of the *Army and Navy Journal*, could say in his *Imperial America*:

"We are seeking to make and we proudly call the Caribbean Sea an American lake. \* \* \* We are maintaining a financial protectorate over Santo Domingo. We are applying the same system to Haiti and Nicaragua and have arranged for the purchase of the Danish West Indies. We kept a dictator out of Venezuela and drove another out of Nicaragua."

It is interesting to compare these various interpretations of the Monroe doctrine with what our Latin-American policy actually has been at the times they were uttered and under the men who were uttering them. Mr. O'Laughlin states the case correctly for the day in which he was speaking. President Wilson, in spite of his fair words at Mobile, did nothing to arrest and everything to sustain the very policy in Latin America against which he was protesting. Mr. Hughes's policy will be referred to later. In terms of deeds, not words, our course in Latin America has advanced without a single deviation along the channel laid down for it by Presidents Roosevelt and Taft.

At the present time, instead of maintaining "financial protectorates" over our sister Republics in Latin America, it would be more correct to say that we are holding them under a form of military and financial dictatorship. These various military and financial dictatorships have been imposed upon the Latin-American countries under successive administrations and by the force of American arms since 1909 up to and including the present day.

In the case of the Dominican Republic we began by placing over her a military government under United States auspices, supported by the United States marines, with a lieutenant commander of the Navy as the "officer administering the affairs of finance and commerce for the military government." To secure payment of six different American loans, the first in 1907 and the last in 1922 and a seventh loan in 1924, "a specific charge on the customs revenues" was made, these revenues to be "collected during the life of the bonds by an official appointed by the President of the United States." The "agreement" by which the revenues of the Dominican Republic were thus laid under mortgage was

made between the United States and the United States controlled military government in Santo Domingo, the bond issue bearing the guaranties of the military government as an "irrevocable obligation of the Dominican Republic." (Foreign Relations Committee of the Senate, hearing before subcommittee on foreign loans, Exhibits 9, 10, 11, 12, 13, et seq.)

#### MILITARY RULE IN SANTO DOMINGO

A provisional government was established in Santo Domingo by the military governor, United States Admiral Robison, on October 21, 1922, to provide for holding elections and reorganizing the government. On July 12, 1924, Gen. Horacio Vasquez, elected President for four years, was inaugurated. The convention between the United States and the new Vasquez government stipulated that all acts of the United States military for the past 17 years be ratified; all American loans be assumed as public debt, including a sinking-fund issue bearing 9 to 18 per cent interest; and a new refunding loan be accepted running up to \$25,000,000. The customs receivership was extended until all loans were paid. Thus liberty in our sister Republic of Santo Domingo has a new birth under a fresh mortgage of her public revenues to American bankers, subject to foreclosure by intervention of the United States marines at any time when the public revenues fall short of bond and interest requirements.

We entered Haiti with our marines in 1915, during a revolution, under Wilson's first administration. The excuse under which we acted was that of restoring order in the country. By 1916 we had advanced so far with this program that the legislative body of the Haitian Government was dissolved and deputies and senators were forcibly expelled by American marines, after which the legislative palace was padlocked. Shortly afterwards an election was held under American auspices and a Senate and Chamber of Deputies more to our liking were elected. The first duty of this new Congress was to adopt a new constitution. The American legation made specific recommendations as to clauses in this new constitution, and these were duly handed to the members of the new Congress by the new Haitian Government.

These "suggestions," however, were not universally adopted by the new Congress; and again, in June of 1917, gendarmes under the command of a United States officer of marines invaded the legislative palace.

The files were looted and all records pertaining to the work already done by the Congress were taken away. Deputies and Senators were expelled, the legislative palace was once more padlocked, and a military guard was sent to prevent the reassembling of the legislators.

Then, in 1918, a constitution for Haiti was drafted in Washington and forwarded to Haiti to be submitted to a vote of the people. A farcical "plebiscite" was held, with United States marine officers in command of gendarmes running the polling; blue ballots were for and red ballots were against, and the Haitian people, now thoroughly intimidated, were told to cast blue ballots. The American-written constitution was adopted by a vote of 99,000 to some scattering few hundreds in opposition.

This constitution, now in force, provides for the election of the President and of the members of Congress by the people. It states that the election shall be called by the President on an even-numbered year, but does not specify what year. The constitution also provides that until an election is called the legislative authority shall be vested in a council of state composed of 21 members, all of whom are appointed by the President. This council of state is given authority to choose a President in case no popular election is held. Up to date no even-numbered year has been found in which to hold an election, although nearly 10 years have elapsed since the constitution went into force. All efforts on the part of patriotic Haitians to obtain a popular election have failed. The same President, Borno, is elected by the council of state year after year, he having himself appointed the council of state which elects him.

This Haitian incident gives an excellent cross-section of what our Latin-American policy has actually become. Under President Wilson, who said "we must prove ourselves their friends and champions upon terms of equality and honor," we entered Haiti by force, twice dissolved her legislative assembly at the point of the gun, wrote a constitution and forced it upon the Haitian people, and set up on Haitian soil a government contrary to all the principles of political freedom. This policy was in turn denounced by President Harding, but was carried on by him without change. It was being actively carried on by the State Department at the moment that Secretary of State Hughes was saying: "I utterly disclaim, as unwarranted, the observations which occasionally have been made implying a claim on our part to superintend the affairs of our sister Republics, to assert an overlordship, to consider the spread of our authority beyond our own domains as the aim of our policy, and to make our power the test of right in this hemisphere."

#### FINANCIAL DICTATORSHIP

South American Republics have not escaped the net of American financial dictatorship. In Bolivia, on May 31, 1923, an issue of \$33,000,000 of 25-year 8 per cent bonds was contracted to New York



bankers, secured by a mortgage on all public revenues as well as by stock of the Bolivia National Bank, with this unique redemption feature: "This bond is redeemable \* \* \* on or after May 1, 1937, and not before, at the rate of 105 per cent of its par value and accrued interest." Bolivia's public revenues were, under the contract, placed in the control of a commission of three men, two of whom, including the chairman, were American bankers. A telegram from the United States Secretary of State certified to the execution of the instrument. (Exhibits 4, 5, 6, "Foreign loans" subcommittee, 1925-26.)

The case of the Salvador 1923 loan is only another illustration. The details are reported by the New York Commercial and Financial Chronicle (October 13 and 16, 1923), the Diario Oficial of El Salvador (February 20, 1923), and in the Senate committee hearings on "Foreign loans" (Exhibits 1, 2, 3, "Foreign loans" subcommittee, 1925-26). In that year Salvador contracted for new bond issues aggregating \$18,500,000, at 8 per cent and 7 per cent, respectively, for American loans and 6 per cent for a smaller British sterling loan. Secretary Hughes on October 16, 1923, issued the following statement defining the official relations of the State Department to the loan contract in question:

"The Department of State has no relation to the matter except with respect to facilitating the arbitration and determination of disputes that may arise between the parties and the appointment of a collector of customs in case of default. \* \* \* The Secretary of State has consented to use his good offices in referring such disputes to the Chief Justice of the Supreme Court of the United States. \* \* \* Also, at the request of the Government of Salvador and the interested bankers, the Secretary of State has consented to assist in the selection of the collector of customs. \* \* \* The contract also provides that the collector of customs, if appointed, will communicate to the Department of State for its records such regulations relating to the customs administration as may be prescribed, and also a monthly and annual report."

This means in plain terms that the Secretary of State, 60 days after his Minneapolis speech denying any "claim on our part to superintend the affairs of our sister Republics," himself takes over the superintendence of the customs revenues of the Republic of Salvador. Six millions of the above-mentioned bonds were sold to the President of the United Fruit Co. at 88 per cent of par value, according to the contract approved by the State Department. Commenting on the whole transaction the Diario Oficial of El Salvador states that President Molina at first withheld his approval "because of the clauses robbing Salvador of her financial autonomy." But at length, through public need in Salvador and pressure on the part of the United States, the contract was signed—on the centenary of the signing of the Monroe doctrine.

The situation in Nicaragua, lately much in the public eye, is the same as elsewhere in Latin America, with several flagrant features of its own. The excuse of protecting our canal-route concessions in Nicaragua is made the justification for controlling by force the internal affairs of that country, although no party or individual in Nicaragua has ever proposed to violate those concessions, and no sane man supposes that they could be violated by any Nicaraguan Government. Behind all this is a shadow of financial intrigue and imposition so shameful that American public opinion would instinctively repudiate our Nicaraguan policy if the facts were widely known. These facts are a matter of record in the Senate Hearings on Nicaragua, 1914, and on Foreign Loans, 1927.

Instances could be multiplied indefinitely; any well-informed American citizens is now aware that our present Latin-American policy is frankly one of economic aggression involving political dictatorship. It is still covered by the name of the Monroe doctrine, but it has nothing in common with that doctrine as originally enunciated. In Costa Rica, Honduras, and Guatemala, as well as in the countries already mentioned, the American financial protectorate is based on the same general methods. American banking and bonding interests, trading corporations, public utilities, hemp and timber concessions, represent the principal enterprises for which our Federal Government practices "dollar diplomacy" in Latin America. The State Department acts as commercial agency and diplomatic referee. The Navy Department furnishes and directs the United States marines to enforce the terms of the contract. The customs revenues of the various Republics are the principal securities for American loans and investments, and the levying and collection of these funds are placed in the hands of agents either directly or indirectly responsible to the United States Government.

#### BENEFITS TO LATIN AMERICA

I am well aware of certain material advantages which we have brought about in Latin America during the past 25 years; I can from personal observation testify to the good roads, the harbor improvements, the sanitary betterment and the great work we have done in the elimination of preventable disease. But this is not the real question. If such things have not been achieved by the Latin-American countries themselves, and if they have been bought at the price of liberty and freedom, they are not worth while and will not endure.

The danger exists not only for Latin America but quite as clearly for our own institutions at home. Since when have we entertained the pernicious theory that we must lift all neighboring countries to our own standards of life by military force and political control if need be? The moment that theory is actually accepted by the United States we shall have lost the cause for which the American Revolution was fought and in whose name our Republic came into being as a Nation. The country that denies freedom abroad has lost freedom at home.

Old-fashioned as it may seem, I still believe in the principles of human liberty. I still believe that the only way for humanity to advance is for the different unit-peoples all over the world to be left to govern themselves. I still believe that right and justice as between nations can not only be professed but can actually be practiced. I still believe in honest diplomacy, in doing what you promise, in calling a spade a spade.

In the case of the Monroe doctrine we must do one of two things. Either we must abandon the idealism of the Monroe doctrine altogether, acknowledging frankly what our acts are in Latin America and accepting the consequences both at home and abroad, or we must revive the idealism of the Monroe doctrine, cleave to it in deeds as in words, and make our acts square with our professions.

It is a moral issue of first proportions. But moral issues work themselves out in practical results.

The question before us is, Can we afford, in dollars and cents, to pursue our present policy in Latin America much longer? Has "dollar diplomacy" really paid, in terms of national gain? It undoubtedly has paid well for a few interests and individuals. But does all this actually pay to the general commercial enterprise of the Nation? The following statistics for 1925 and 1926 are taken from the monthly summary of the Department of Commerce for the year ended December, 1926:

United States exports to—	Calendar year		Change (percent)
	1925	1926	
Mexico.....	\$144,720,323	\$134,994,164	-7
Costa Rica.....	6,800,819	6,312,416	-7
Honduras.....	9,569,937	7,540,286	-21
Nicaragua.....	7,434,339	5,264,272	-15
Salvador.....	9,193,916	9,556,521	+4
Cuba.....	198,655,032	160,487,680	-19
Dominican Republic.....	17,763,577	14,572,376	-18
Haitian Republic.....	13,711,585	10,857,427	-22
Total.....	407,849,726	350,585,142	-14

Thus, granting that the activities of the State Department and the employment of the United States marines have brought profits to perhaps a score of our leading industrial and financial interests, what is the gain to the general business of the country, to the merchants, manufacturers, and farmers who have to work without the special services of the Federal Government in their behalf? Their lot seems to be to bear in taxation a share of the expense of a policy which benefits only a privileged few, a policy which netted a loss in trade of \$57,200,000 to the Nation, or 14 per cent of our total exports to eight of our sister Latin-American Republics in the calendar year just closed. These are serious figures. When an export trade shrinks at the rate of 14 per cent a year, something is radically wrong with the policy which controls it. It is time to face the question in all candor. Are we not "killing the goose that lays the golden egg" in Latin America?

The moral issue can not be evaded. An unconscious boycott of American goods, based on growing enmity, is obviously beginning to operate in Latin America. And every day that our present hypocritical Latin America policy goes on, we are losing prestige in the field of international relations; every day we are gaining the increased enmity of all the American Continent outside our own borders.

The time may come when we shall need friends in the western continent and elsewhere in the world. Before we discovered "dollar diplomacy" we had grown from a wilderness and a strip of seaboard to be the greatest and most respected Nation in the world; we traded with all countries; our flag was welcomed wherever it went; and our trade followed the flag, because it was universally understood that behind our policy lay "a high moral principle of ethics and government." But to-day in Latin America we are rapidly dissipating the proud heritage of our traditions and history.

I said that both the spirit and the letter of the Monroe doctrine were dead. No European power is likely ever again to attempt to colonize the American Continent. If such a move were made, it would immediately call forth the armed opposition of the United States, regardless of the Monroe doctrine or any other policy. Thus to keep the bare name of the Monroe doctrine alive, when its only excuse is as a cover for ulterior acts and motives, is a constant source of irritation on the American Continent. The most statesmanlike policy which the United States could pursue in Latin America to-day would be officially to revive in all their force and integrity, in terms of present-day conditions, the ideals which the Monroe doctrine originally espoused.

## A NEGRO'S VIEWS OF SENATOR BLEASE

Mr. BLEASE. Mr. President, I ask unanimous consent to have printed in the RECORD an editorial relating to myself appearing in the Pittsburgh Courier, of Pittsburgh, Pa., on December 24 last.

The VICE PRESIDENT. Without objection, it is so ordered. The editorial is as follows:

## A DANGEROUS MAN

Senator COLE BLEASE, Democrat (of course), of South Carolina, is a dangerous man. He is a menace both to the Nation and to the Negro race. Rising from the depths of illiterate South Carolina, he has for years disgraced and sullied the National Capitol by his presence and by his ignorant, insane, anti-Negro propaganda. He loses no opportunity to spew his venom upon the Negro nor does he ever hesitate to fan the flames of race prejudice on every occasion. When the Aiken massacre shocked the intelligent people of his State and of the Nation, and when humanitarians in every part of the country were denouncing the foul crime, it was the unspeakable BLEASE who aligned himself with the forces of lynchocracy and offered them his services. Supposed to be representing the 900,000 negroes of his backward State, he never misses an opportunity to insult them and their brethren in every part of the country. Supposed to be representing the 900,000 white people of South Carolina, he has aligned himself with the forces of reaction in opposing the passage of child labor laws that would emancipate little children from machine slavery in the cotton mills. Sworn to uphold the Federal Constitution, he not only connives in but advocates its violation. Wedded to the enforcement of the eighteenth amendment to the Constitution, he strives for the violation of the manhood rights guaranteed by the preceding ones.

Now he runs true to form by seeking to put a further premium upon bastardy, adultery, fornication, and concubinage in this country. To this end he has introduced a bill in the United States Senate which would prohibit the intermarriage of negroes and Caucasians anywhere in the United States as it is prohibited in his own benighted State of South Carolina. This bill would render any such marriages, of no matter what duration, null and void and would subject the parties to them to imprisonment, along with the officiating clergymen or magistrates. When it is considered that already 29 States in the United States have enacted similar legislation, the possibility of such a pernicious law is by no means as remote as some might think. Another bill he has introduced in the Senate would require separate accommodations for white and black passengers on the street cars in the District of Columbia, where already segregation and discrimination because of color stalks triumphant.

The two hateful bills have been referred to committees where it is probable that they may be buried, but with this man continually urging their passage there is no way to be sure that at some future time they may not actually come up for passage. Like many of his southern white brethren—and many in the North—BLEASE is an indefatigable propagandist for crackerism in all its hated forms. He fails to recognize or ignores the fact that the Negro is a citizen, and the Federal Constitution means little or nothing to him. In his bitter hatred of the Negro he will go to any lengths to insult, hamper, and humiliate him. A power in the principal legislative body of the Nation, he is using his position at every opportunity to undermine the foundations of good government. More than any other Member of the Senate, he is a danger and a menace, and all those who sincerely strive for the better race relations will breathe easier when he is finally returned to the obscurity from which he ought never to have emerged.

## INVESTIGATION OF NAVAL OIL RESERVE LEASES

The VICE PRESIDENT. The Chair lays before the Senate a resolution coming over from a previous day, which will be read.

The resolution (S. Res. 101) submitted by Mr. NORRIS on January 4, 1928, was read, as follows:

Whereas in the Sixty-seventh Congress the Senate passed Senate Resolutions 282 and 294, which resolutions directed the Committee on Public Lands to investigate the entire subject of the leases upon naval oil reserves with particular reference to the protection of the rights and equities of the Government of the United States and the preservation of its natural resources; and

Whereas said committee never completed said investigation, the same having been suspended because of the refusal of one Harry F. Sinclair to answer the questions of the committee, and said committee has never made any final report to the Senate; and

Whereas in the case of the United States against Harry F. Sinclair and Albert B. Fall it was disclosed upon the trial that a fraudulent corporation, known as the Continental Trading Co. of Canada, had been organized for the purpose of using the profits of its business in the bribing of public officials of the United States and for other dishonest, dishonorable, and illegal purposes; and

Whereas it was disclosed upon said trial that profits of said corporation were invested in Liberty bonds of the United States and that only a portion of said Liberty bonds so invested had been definitely

traced and accounted for and that a large amount of Liberty bonds coming into the hands of said fraudulent corporation had been unaccounted for and unexplained: Therefore be it

Resolved, That the said Committee on Public Lands be, and it is hereby, authorized and directed to renew and to continue the investigation provided for in said Resolutions 282 and 294, and said resolutions are hereby renewed as fully and as completely as though they were herein fully set forth; and be it further

Resolved, That said committee is specifically directed to make an investigation as to the transactions and activities of the said fraudulent corporation, the Continental Trading Co. of Canada, and it is specifically directed to trace all the Government bonds held and dealt in by said corporation with the purpose of ascertaining the beneficiary or beneficiaries of all the illegal transactions connected with the fraudulent and dishonest sale or leasing of the said naval oil reserves.

The VICE PRESIDENT. The question is on agreeing to the resolution.

The resolution was agreed to.

Mr. NORRIS. Mr. President, I wish to submit a parliamentary inquiry to the Chair with respect to the resolution which has just been adopted. The parliamentary inquiry is whether under the law that resolution should be referred to the Committee to Audit and Control the Contingent Expenses of the Senate. I should like to state to the Chair, if he has not followed the reading of the resolution closely, that the original resolution authorizing the investigation did go to the Committee to Audit and Control the Contingent Expenses of the Senate and money was authorized to be used for that purpose. The resolution which has just been adopted merely directs the committee to proceed and continue the investigation. Now the question arises whether it is necessary that the resolution extending the jurisdiction of the committee and directing them to proceed further with the investigation should go to the Committee to Audit and Control the Contingent Expenses of the Senate. I myself do not believe that the committee died with the end of the session. I think under the Supreme Court's decision it continues, but in this resolution it is stated that the other resolutions are renewed as fully as though they were set forth in this resolution.

Mr. MOSES. May I suggest to the Senator that in that event further expenditure under the resolution is to be paid out of a new appropriation, a new contingent fund for the Seventieth Congress, and I think, therefore, that the resolution should go to the Committee to Audit and Control the Contingent Expenses of the Senate.

Mr. NORRIS. I myself do not believe in being technical about it, but if the resolution should be referred to the Committee to Audit and Control the Contingent Expenses it will only mean a delay of a day or two, and rather than have any doubt about it or have the question raised, I ask that the vote whereby the resolution was agreed to may be reconsidered and that the resolution may be referred to the Committee to Audit and Control the Contingent Expenses of the Senate.

The VICE PRESIDENT. Without objection, the vote whereby the resolution was adopted is reconsidered, and without objection the resolution is referred to the Committee to Audit and Control the Contingent Expenses of the Senate.

## HENRY A. BELLOWES

The VICE PRESIDENT. The calendar under Rule VIII is in order and will be proceeded with.

The business on the Calendar of General Orders was the joint resolution (S. J. Res. 55) for the relief of Henry A. Bellowes, which proposes to pay him for the period during which he served as a member of the Federal Radio Commission.

Mr. DILL. Mr. President, I ask that the joint resolution may go over for the reason that we are having hearings tomorrow on the question of the confirmation of the newly nominated members of the Radio Commission, and I think it would be well to have the joint resolution go over until after that hearing.

The VICE PRESIDENT. Without objection, the joint resolution will go over. That completes the call of the Calendar.

## ENFORCEMENT OF PROHIBITION

Mr. BRUCE. Mr. President, I ask unanimous consent to have inserted in the RECORD two very interesting editorials from the Charleston (S. C.) News and Courier, one entitled "Lawlessness—and a little Latin" and the other entitled "Demoralizing the elders."

The PRESIDING OFFICER (Mr. WATERMAN in the chair). Without objection, it will be so ordered.

The matter referred to is as follows:

## LAWLESSNESS—AND A LITTLE LATIN

The number of inhabitants in South Carolina in Governor Richards's administration is doubtless greater than it has been in any other, and



the number of persons who make, sell, or transport intoxicants is certainly as great proportionately as it ever has been. Probably it is greater. That is sufficient to prove that the Richards administration is the most lawless that the State has had. It has more lawbreakers.

Although the Greenville News is unable to follow this argument of the News and Courier, it says that "in violating some of these laws (doubtless referring to those relating to Sunday observance, prize fighting, and others) last year we were not conscious of having turned criminal. We were enjoying the bliss of ignorance in our wholesale career of crime."

The News says too much, however, when it asserts that these laws were being violated last year and the year before. Of that no evidence is available. The News can't prove the violations. Hence it should not allege them. Governor Richards this year has produced the evidence of the lawlessness, and his administration is entitled to the credit. We bestow it. Having discovered the existence of great numbers of lawbreakers, who were not at large so far as the records disclose, in McLeod's time or Cooper's, the incumbent administration must accept them as its characteristic.

No one could go to court and swear out warrants against golf players and druggists at Aiken and Camden for violations in 1926, and until that is done they are entitled, under the Constitution, to the presumption of innocence—indeed, until they are convicted.

One of our friends, returning from the State fair, reports that he saw more people together than he has ever seen before in South Carolina, and that he saw more "drunks." It is astonishing that anyone drinks whisky in Columbia. How did the stuff get there? Have we not prohibition, both Federal and State, and a State administration holly resolved to enforce it? Yet it seems to persons with long memories that the energies of the State are not so fiercely directed against the violators of prohibition now as they were against the "blind tigers" between 1903 and 1900. Those were the days. The chasing of lawbreakers was incessant, and nothing was left undone to protect the traffic of the dispensers.

"It is difficult to blame all this on the Richards administration," the News observes. Who said anything about "blaming" it? Governor Richards is a fine old fellow, honestly intent on doing good. It would be ridiculous to "blame" any human creature for failing to chew as much as he has bitten off. He has passed 60.

How can the dear old gentleman control the thousands of wild young bucks under 30? His generation has passed, and no one expects him to be aware of what us youngsters are about.

Besides, as the News and Courier has said, our generation is demoralizing most of the elders. The governor is one of the few, the noble few, Pike's Peaks of nineteenth century virtue left standing. We, the wicked and perverse, admire and extol him.

"O tempora! O mores!" Governor Richards made neither the tempora nor the mores. Despite the lawlessness of his administration he is doing much good by precepts and example. He may continue to bite off more than he can chew, and there will be much to amuse, but the Commonwealth of South Carolina will not be disgraced or seriously damaged while Richards is governor. "Clarum et venerabile nomen gentibus."

#### DEMORALIZING THE ELDERS

Without disagreeing with the Bamberg Herald that gambling games at fairs should be forbidden and prevented, these expressions of its editorial article excite our interest: "It is the moral effect on our young people, however, that especially interests us. If our Government authorities permit open gambling at fairs, our boys may well argue to themselves, Why is it wrong to gamble elsewhere?"

What is of more concern, we mildly hint to the Herald, is the "moral effect" on our old people of the behavior of the young.

Does not the Herald suspect that the young people are leading their elders astray?

If all the girls smoke cigarettes, how is "mother" to resist the temptation?

If the young man takes a flask to a dance, will not "daddy" succumb?

If the sophomore, girl or boy, bet \$2 on the Carolina-Citadel game, how are the "old grads" to escape the contagion?

In old times the example of old people contaminated the young, but that was before the young got loose. Should not something be done to rescue the middle-aged and the venerable from the insidious influence of their children and grandchildren?

A generation ago, when the elders were in control, they forbade their young wrongful indulgences because they were wrong, not because there was a law against them. In some way or other these elders absorbed the idea of the wrong of betting from teaching.

One can think of the possibility of teaching young people what is wrong now by appealing to their good sense.

"SENATOR WALSH'S PART"—ARTICLE BY FRANK R. KENT

Mr. BARKLEY. Mr. President, in a recent issue of the Baltimore Sun there appeared a very excellent and able article by Mr. Frank R. Kent discussing the part played by the senior

Senator from Montana [Mr. WALSH] in the recent Teapot Dome scandal. I ask that I may have the article inserted in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

#### THE GREAT GAME OF POLITICS—SENATOR WALSH'S PART

Though it is true, as the sly Mr. Slomp with a satisfied smile so astutely says in accounting for Republican strength and the futility of Democrat attack, that "prosperity absorbs all criticism," it does seem that to the reflecting few there would come occasionally as they consider certain facts a feeling that this would be a pretty sad sort of country if it were not for the Democrats, regardless of their dissensions, stupidity and shortcomings. To those who think that uncovering corruption in politics and government is a real public service, who consider the moral welfare of a people as important as their material welfare, unless their memories are bad, it must seem that, out of power though it is, the Democratic Party has not been without its uses in the last four years.

It was pointed out here the other day that if it had not been for Senator REED of Missouri, a Democrat, the two most outrageous political scandals that have occurred in a generation—those connected with the election of Mr. VARR in Pennsylvania and Mr. SMITH in Illinois—would have totally escaped national notice, and these gentlemen would in a few days take their Senate seats without so much as a critical or unkind word.

The present ugly—it's a mild word—situation in Washington, where the grand jury is investigating charges of jury tampering in the interests of Mr. Sinclair, who, along with Mr. Fall, has been denounced by the Supreme Court for "fraud, conspiracy, and corruption," ought to call attention to the public service of another Democrat—Senator THOMAS J. WALSH of Montana—even greater than that of Senator REED.

It ought to recall that, if it had not been for Senator WALSH, Mr. Fall and Mr. Doheny and Mr. Fall and Mr. Sinclair would have succeeded in stealing the naval oil reserves of the Nation at Elk Hills and Teapot Dome and would—all three of them—to-day be living among us as honorable and respectable men, utterly free of that indelible Supreme Court brand that marks them. It was Senator WALSH, blocked and thwarted at every turn by the Republican organization and without sympathy or help from the Republican administration, and in the face of a barrage of newspaper criticism that he was "playing politics," seeking publicity, making a mountain out of a molehill, who kept at his job until he brought the amazing facts to light.

When the results of his work are considered it does seem that, even in such a material age as this, something more of national appreciation and gratitude should go to him. The Nation has recovered its great oil reserves. The men who had conspired to take them away have been compelled to pay back to the Government more than \$10,000,000. The Supreme Court in two burning decisions has unanimously upheld the WALSH contentions, and in denouncing the defendants employed words that in the last campaign when used in the Democratic platform and by Democratic spokesmen were called partisan and demagogic.

One criminal case ended in a jury acquittal of Mr. Fall and Mr. Doheny, but in the other jury case it has resulted in a mistrial, due to the espionage established over the jury by a detective agency employed by Sinclair interests. There will be a new trial in January.

Since the Supreme Court decisions and the Sinclair trial a great many newspapers that in the 1924 campaign minimized the whole Fall-Doheny-Sinclair business scoring the Democratic charges as hysteria and political claptrap, have teemed with denunciatory editorials. Some are in a high state of indignation. Some seem to favor burning Mr. Sinclair at the stake. Very few, however, ever mention the name of the quiet, determined, resourceful, able, and modest man whose dogged fight against great odds prevented the complete success of one of the greatest frauds ever attempted against the Government of the United States.

It does seem that it would occur that Senator WALSH has done something worth even now a word of praise; that glorious as it is to be prosperous, magnificent though it may be to reduce taxes when revenues are vastly in excess of expenditures, splendid though it is to preach economy and advocate happiness, the single-handed uncovering of so vast a governmental conspiracy, with such complete vindication of the effort, ought to entitle Senator WALSH to a little more credit than he gets. It ought, in fact, to make him more or less of a national hero. Prosperity seems not only to absorb all criticism but, so far as the public is concerned, about every other mental faculty there is.

#### THE MERCHANT MARINE

Mr. CURTIS. Mr. President, I understand the Senator from Florida wishes to address the Senate.

Mr. FLETCHER. Mr. President, I desire to make some observations on the subject of the American merchant marine, and I ask unanimous consent to proceed with those remarks at this time, although there is now no measure pending before the Senate.

The VICE PRESIDENT. Is there objection to the Senator from Florida proceeding? The Chair hears none, and the Senator from Florida is recognized.

Mr. FLETCHER. Mr. President, James Freeman Clarke, as I remember, made at one time a statement which very much impressed me. It was to the effect that the difference between a politician and a statesman is that a politician thinks of the next election and the statesman thinks of the next generation.

We have reached a very critical stage in respect of our merchant marine, and I wish to appeal to the talents and abilities in both this body and the other—and there are in both bodies men so equipped as to be classed as statesmen—to consider this subject from the standpoint of statesmanship, from the standpoint of the next generation.

Our merchant marine has reached a stage where, in all probability, we will lose our position on the high seas in a very few years. Our ships are vanishing now, and it is absolutely necessary that Congress take a positive position with reference to establishing and maintaining an adequate American merchant marine.

We are without much guidance or leadership at present with respect to that great subject. With the utmost respect for the President, and without any purpose of criticizing or finding fault, I feel that it is proper now to analyze briefly his message to Congress delivered at the beginning of this session, on December 8, 1927.

Under the heading of "Merchant marine" the President said:

The United States Government fleet is transporting a large amount of freight and reducing its drain on the Treasury.

That is a condensed statement, very clearly put, and covering a great deal of ground. I fully agree with every word of it.

He further said:

The Shipping Board is constantly under pressure, to which it too often yields, to protect private interests, rather than serve the public welfare.

If I understand the English language, that is a severe indictment of the Shipping Board, somewhat more remarkable in view of the fact that six members of that board have been appointed by the President, and one of them has been reappointed. No doubt the President had before him facts which justified this severe arraignment of the Shipping Board. I should say, however, without being authorized to make any defense of the Shipping Board, that in my judgment this yielding to private interests rather than serving the public has been largely due to the policy insisted upon by the White House.

Undoubtedly the Shipping Board has served private interests without regard to public interests in pursuing a policy directed, it would seem, from the White House to get speedily out of business, and to transfer promptly and without delay the ships owned by the Government into private hands. In pursuance of that policy ships have been sacrificed. They have been practically given away. Private interests have been served, the public interest has been ignored, in following that course, resulting from emphasis being placed on the secondary purpose as expressed in the merchant marine act of 1920, rather than upon the primary purpose as emphasized in that act over and over again. In the very beginning of the act and throughout the act, when powers were given to the Shipping Board to sell the ships, it was provided that always they must keep in view the primary purpose of establishing and maintaining an adequate merchant marine.

Mr. COPELAND. Mr. President, will the Senator yield?

Mr. FLETCHER. I yield.

Mr. COPELAND. Does the Senator mean to imply by his remarks that the ships as now operated are not carrying out the purpose of the law and helping to maintain an effective merchant marine?

Mr. FLETCHER. I think the present plan of operation is succeeding fairly well. I find no fault with that. It is the policy of getting out of business and getting rid of the ships that has been insisted upon which, in my judgment, has resulted in serving private interests rather than the public interests.

Mr. COPELAND. Will the Senator yield further?

Mr. FLETCHER. I yield to the Senator from New York.

Mr. COPELAND. Of course, the shipping act does provide that at the earliest moment these ships shall be turned over to private operation. Is it not a fact, however, that the ships which the Senator has in mind, having been turned over to private operation, are being operated effectively to maintain for us an American merchant marine?

Mr. FLETCHER. I will show to the Senator before I get through that, notwithstanding these sacrifices, and notwithstanding the pursuit of this policy day in and day out for eight

or nine years, there is to-day less tonnage privately owned under the American flag in foreign commerce than there was in 1914—excluding, I mean, the tankers, which everyone knows are owned by oil companies and other concerns using them in carrying their own products and not engaged in general commerce.

The Senator, however, is in error with reference to the language of the act of 1920. That act does not say that the purpose is to pass these ships into private hands as speedily as possible. It says that the purpose and policy of Congress is to establish and maintain an adequate American merchant marine to serve our commerce in times of peace and as auxiliaries to the Navy in times of war, ultimately to be passed into private hands. The secondary thing is passing into private hands not the primary thing at all; and the emphasis has been laid by the administration upon the secondary purpose ultimately to pass into private hands. "Ultimately" means finally, not speedily, not at once; but finally the idea of Congress was that these ships might pass into private hands.

Mr. COPELAND. Mr. President, will the Senator yield further?

Mr. FLETCHER. I yield.

Mr. COPELAND. The Senator has spoken about the decline in the tonnage. Of course the decline of which he speaks has no relationship to the lines which have been sold by the Shipping Board, because those lines are operated effectively in maintaining an adequate American merchant marine. I refer specifically, for instance, to the President ships. They were sold cheaply; they are now in private hands; but they are being operated—effectively operated, as I view it—and so the American merchant marine in toto has not suffered by reason of the sale and disposal of those particular ships to private parties.

Mr. FLETCHER. I understand the Senator's proposition. With reference to the President ships, there were seven magnificent passenger and cargo carriers, costing the Government over \$30,000,000, sold for \$4,500,000 payable during a period of five years, with a guaranty only that they would be operated in that service for five years. That time has nearly expired. What will become of the ships after that guaranty terminates no one can tell. They may go into the coastwise trade. They may abandon that service entirely. They have a perfect right to do it. But though they were the finest ships afloat on any ocean, they were sold for something like 10 per cent of their cost, and they were new ships.

I can give other illustrations. It would take me all day to cite these instances, but one I recall particularly:

A German ship was seized by this Government. She was used in the transport service. She cost to build \$1,600,000. After the war the Shipping Board concluded to recondition that ship and make her a passenger ship and put her in the service from Los Angeles to the west coast of South America. They spent \$2,000,000 on the ship. They spent, within a month of her sale, \$43,000 on hotel supplies placed in the ship; and they sold that ship, with the furnishings and hotel supplies and all equipment, for \$100,000. That ship was the *City of Los Angeles*. Is not that a clear illustration of taking care of private interests rather than regarding the public interest?

Other instances of a similar kind can be pointed out; and it seems to me that they must have arisen under the policy dictated by the administration to get out of business and pass these ships into private hands.

Says the President:

More attention should be given to merchant ships as an auxiliary of the Navy.

Precisely; I quite agree with that. That is a most important thing to consider in this connection. If Great Britain had not owned the enormous merchant fleet that she did own at the beginning of the submarine policy on the part of Germany, she would have been out of the war within eight weeks after the submarines began sinking merchant ships on the sea. It was her merchant marine rather than her floating batteries, her navy, her battleships and cruisers, that saved the situation for Great Britain in that time of trouble.

Is not that a lesson for the United States? Can we afford to sink our ships, give them away, and have them pass out of existence? As a great Nation, can we take such a position as that? I say to the Senate now that the question is now, to-day, not whether we shall have private ownership or private operation of a merchant marine, or Government ownership and Government operation, but whether we shall have any merchant marine at all or not. That is the question. So the President is entirely right in emphasizing the importance of merchant ships as auxiliaries of the Navy.



Mr. ODDIE. Mr. President—

The PRESIDING OFFICER (Mr. WATERMAN in the chair). Does the Senator from Florida yield to the Senator from Nevada?

Mr. FLETCHER. I yield.

Mr. ODDIE. I would like to ask the Senator if he has investigated a supposed lobby that is representing a powerful interest on the Pacific coast, that has been exerting a great deal of influence to secure these ships from the Shipping Board for speculative purposes, rather than as a service to the country?

Mr. FLETCHER. I have no particular knowledge of that lobby, and I have made no study or investigation respecting it. I will be very glad, indeed, to have the information which the Senator suggests.

I do say this, that to guarantee the operation of a particular service for a period of only five years is practically no guaranty at all. Five years is but an hour in the life of a nation, and that has been heretofore the extent of the guaranties in the sale of these ships, guaranteeing to maintain the service for a period of five years, without any guaranty at all with reference to replacements, without any guaranty that other ships will be substituted for those that may go down or be lost or wear out. In a five-year period a whole line may go to pieces, and of course eventually the ships must disappear. They wear out. There has never been in any contract in any sale any guaranty for replacing the ships.

Mr. WALSH of Massachusetts. Mr. President, will the Senator yield?

Mr. FLETCHER. I yield.

Mr. WALSH of Massachusetts. The Senator has quoted from the President where he urged that our merchant marine be developed along the line of an auxiliary to the Navy. Have not that thought and idea been suggested again and again on the floor of this Chamber? That has been urged again and again, and I now ask the Senator what concrete act or step has been taken by anybody to develop the merchant marine along that line?

Mr. FLETCHER. I will say to the Senator that he is quite correct; that is one of the purposes set out in the merchant marine act of 1920. That act provides that in case of reconstruction regard shall be had for placing guns and that sort of thing on ships. That has been the idea running in the minds of Congress throughout all the legislation on this subject, and we have sought to emphasize that, and the merchant marine act does emphasize it. But what sort of auxiliary to the Navy do we have when we are told that we must get out of the business and pass these ships into private hands?

Mr. WALSH of Massachusetts. Practically nothing has been done.

Mr. FLETCHER. Nothing has been done.

Mr. WALSH of Massachusetts. Just vain words.

Mr. FLETCHER. The suggestion has been made—and I have no doubt that will be attended to—that Congress decide, as I think they ought to decide, definitely, positively, and clearly, that we propose to have an American merchant marine; and the only certain way of having it, the only known way, the only possible way at the present moment is for the Government to construct the ships and operate the ships. That being true, the Government will see to it that in all reconstruction and in all new construction this thought of serving the Navy will be provided for.

Mr. COPELAND. Mr. President, will the Senator yield?

Mr. FLETCHER. I yield.

Mr. COPELAND. The Senator will concede, will he not, that in order to accomplish the thing he has in mind it is necessary to change the law? The law, as it is at the present, as I recall to his attention section 5 of the merchant marine act of 1920, states specifically—

That in order to accomplish the declared purposes of this act, and to carry out the policy declared in section 1 hereof—

which is to have an effective merchant marine and prepare for the national defense—

the board is authorized and directed to sell, as soon as practicable, consistent with good business methods and the objects and purposes to be attained by this act, at public or private competitive sale after appraisal and due advertisement—

And so forth.

In other words, the Shipping Board is acting under this act, and the act specifically provides that these ships must be sold as soon as possible.

Mr. FLETCHER. It does not say they must be sold.

Mr. COPELAND. It says "authorized and directed to sell." That is the language.

Mr. FLETCHER. As soon as practicable, and on a business basis; not as a bankrupt concern, not as a concern forced to sell, not as the primary purpose of the act at all, but in pursuance of the expressed purpose to establish and maintain an American merchant marine.

Mr. COPELAND. I do not think there is any difference between the Senator from Florida and myself, but I am convinced that if these ships are to be operated as the Senator suggests it is necessary to change this law, because, as I read the law, the Shipping Board is under obligation to dispose of these lines—is directed to dispose of these lines as soon as possible.

Mr. FLETCHER. Not as soon as possible, but as soon as practicable, only when they can accomplish the primary purpose, the establishment and maintenance of an American merchant marine. Otherwise, they have no business to sell.

Mr. McKELLAR. Mr. President, will the Senator yield?

Mr. FLETCHER. The merchant marine act of 1920 really does not need any tampering with or amendment or modification, in my judgment. It is plain and clear, if it is interpreted as it should be interpreted. The fault has been a misconstruction of the act, and an interpretation placed upon it which is not authorized or justified. I yield to the Senator from Tennessee.

Mr. McKELLAR. In that connection, I want to call the attention of the Senator from Florida and the Senator from New York to a proviso in section 7 of the act, near the middle of the page:

*Provided further*, That where steamship lines and regular service have been established and are being maintained by ships of the board at the time of the enactment of this act, such lines and service shall be maintained by the board until, in the opinion of the board, the maintenance thereof is unbusinesslike and against the public interests.

My information is that, without regard to that provision of the law, the Shipping Board has sold a number of these services without declaring them unbusinesslike, without declaring that the service was against the public interests. In my judgment, in so acting the Shipping Board has not only misconstrued the law, but it has deliberately violated the law.

Mr. FLETCHER. There is ample foundation for the Senator's thought on that subject, and I quite agree with him, the merchant marine act has not only been misinterpreted and misconstrued, but actually violated in the administration of the act. In doing that, this board, and not merely this present board, but whatever board was in office at the time these transactions took place, has served private interests and ignored the public interests.

Mr. COPELAND. Mr. President, will the Senator yield again?

Mr. FLETCHER. I yield.

Mr. COPELAND. I seriously question the statement that the Shipping Board has violated the provision to which attention has been called by the Senator from Tennessee. These services are maintained, and it was specifically provided that when the ships were sold, the service should be maintained. I want to say further that this act contemplates a geographic distribution of the service. I doubt exceedingly if the Senator can point to the sale of any service which violates in any sense whatever the provision which he has read.

Mr. McKELLAR. If the Senator from Florida will permit me to reply—

Mr. FLETCHER. I yield.

Mr. McKELLAR. I recall that there was a hearing in Memphis, Tenn., in reference to shipping matters some years ago, and members of the board who were there were very much surprised to find that there was any such provision as that in the law. Evidently it had not been called to their attention, or they had not noticed it before. To be accurate about the language of an inquiry I made at that time I would have to have it before me, and I have not it before me; but as I recall, I asked when they had declared the operation of certain lines unbusinesslike, or against the public interests. They said that they had not declared the operation of any lines unbusinesslike, or against the public interests. Therefore it seemed to me that in not having first declared, as required by this law, that the lines that were sold were either operated in an unbusinesslike manner or against the public interests, the board was without authority of any kind to sell such lines.

Mr. COPELAND. Mr. President, if the Senator from Florida will yield to me a moment—I dislike to cut in on him, but it is not quite fair to let the comment of the Senator from Tennessee pass unnoticed. As a matter of fact, whether the Government operates these ships or whether they are operated by private individuals, if it is an unbusinesslike procedure and a useless procedure, why should anybody operate them?

As a matter of fact, whether the board knew it or not at the time of the conference spoken of by the Senator, when these services were sold on the Pacific coast there was no service interrupted, there was no port which was no longer served. Attention was given by the Shipping Board to the needs of that particular district. So, although it is not for me to defend them, and I desire to do it merely as a matter of simple justice, I do not believe the Shipping Board has violated the shipping act in any sense.

Mr. McKELLAR. I can easily understand why the Senator takes that view, because evidently he has not yet read the proviso. If the Senator will listen to the proviso again he will see how they violated it. It provides:

That where steamship lines and regular service have been established and are being maintained by ships of the board at the time of the enactment of this act, such lines and service shall be maintained by the board—

Not by private interests—

until, in the opinion of the board, the maintenance thereof is unbusinesslike and against the public interests.

Of course it referred to the operation of the ships of the board. There can not be any question about it.

Mr. COPELAND. Does the Senator take that proviso entirely separate and apart from the context?

Mr. McKELLAR. Not at all. It was just giving the board the right to sell under certain circumstances and denying it the right to sell under other circumstances.

Mr. COPELAND. If the Senator will bear with me just a moment, if the board could dispose of these ships in such a way that there would be no interference with service, and that no section of the country should be interfered with, and that an effective American merchant marine might be carried out, according to the general purposes of the act, it would seem to me that the board acted very wisely.

Mr. McKELLAR. But at the same time they disregarded the law.

Mr. ODDIE. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Florida yield to the Senator from Nevada?

Mr. FLETCHER. I yield.

Mr. ODDIE. I would like to ask the Senator from New York if he thinks it is a wise thing for our ships to be turned over to the dictation, practically, of one international banker on the Pacific coast who is trying, through his influence, to obtain a monopoly of the shipping interests of our western coast section?

Mr. COPELAND. If the Senator from Florida will allow me to answer, I do not know that the statement made by the Senator from Nevada is the case. It would take more than one session of the Senate to convince the Senate that the statement or the implication is correct.

Mr. ODDIE. I think when the time comes there will be no question of convincing the Senate that this banker I have referred to on the Pacific coast, whose name I will not mention now, is exerting influence in obtaining these ships and that it will result in a practical monopoly if he has his will.

Mr. FLETCHER. A Senator sitting near me suggests that that is probably true of other coasts than the Pacific coast.

Mr. ODDIE. It goes farther than the Pacific coast.

Mr. FLETCHER. Mr. President, referring again to the matter under discussion, if a line is being conducted and proves to be unbusinesslike, and is losing money, hopelessly losing money, it does not help the establishment and maintenance of an American merchant marine, even to sell or give away that line to private parties. That does not help the situation any. The private concern, if it is a losing proposition, is going to break, too, and it is not fair to them to make such a sale.

On the other hand, it was expected all along that some of the lines established by the Shipping Board would at the beginning prove unprofitable. The idea was to extend our trade. The idea was to expand our commerce and open up new markets and develop trade, and the Shipping Board was expected to lose money in the beginning. But it was believed that eventually the public would get the benefit of these enlarged markets and this extension of our trade, and eventually the lines would become profitable.

Then, in my judgment, would be the time to sell, not when the line is nearly bankrupt and losing money every day. What sort of condition is it in to-day? Here is an enterprise of mine, we will say, in which I am losing money by the millions, day after day. Who will come and relieve me by buying this failing enterprise? Of course, that is an absurd

thing to expect to take place, and yet that is the basis on which we have been proceeding. It is not fair. We can not get the price for such an enterprise that we ought to get for it. It is not the time to offer it for sale. The time to offer it for sale is after we have developed the routes and built up the trade and opened up the markets. Then we can say, "This line is a profitable enterprise. If private individuals want to acquire it, we are ready and willing to sell it."

Mr. COPELAND. Mr. President, will the Senator yield to me again?

Mr. FLETCHER. Certainly; I yield.

Mr. COPELAND. Does the Senator believe that any American line can be made to pay in competition with foreign ships without some sort of subvention?

Mr. FLETCHER. I think it absolutely can be made to pay.

Mr. COPELAND. Has it been done as yet by the Shipping Board?

Mr. FLETCHER. The Shipping Board is now making a profit on the United States lines.

Mr. COPELAND. Is it making a profit if we count interest and depreciation?

Mr. FLETCHER. Yes; counting all factors entering into it. According to the statement made to me they made \$330,000 last year.

Mr. COPELAND. The Senator, I am sure, will not take offense if I say I do not agree with him. I think there are many items left out of those figures. I doubt exceedingly if the United States Line has ever made a profit.

Mr. FLETCHER. I refuse to admit and I have always refused to admit that the American people can not operate ships just as well as any other people anywhere at any time. They have not been encouraged to do it. There has been an enormous amount of money made in shipping in this country by American citizens.

Mr. EDGE. Mr. President—

The PRESIDING OFFICER. Does the Senator from Florida yield to the Senator from New Jersey?

Mr. FLETCHER. I yield.

Mr. EDGE. I am sure, while no one wants for a moment to minimize the ability of the American business man in any connection to compete favorably with the business man of any nation in the world, the Senator must admit that our shipowners are to-day compelled to compete with shipowners of other nations of the world on an entirely different financial basis.

Mr. COPELAND. And an impossible basis.

Mr. FLETCHER. I do not know about that. We have in New York, I think, perhaps the world's financial center. I think centers of trade have moved across the ocean. Centers of finance have moved across the ocean. Why we in this country can not finance the operations as well as the people of any other country on earth I can not comprehend. We can do it, but of course if people hold back and say "We are not going into this business until we are offered a subsidy, we are not going into this business until the Government in some way comes to our support and guarantees us a big profit," there will be some delay about it, because this Congress will not, and I do not believe any future Congress will, be hasty about granting subsidies to the shipping interests.

Mr. EDGE. Speaking of subsidies, the Senator is admitting, as I followed his discussion, that the American merchant marine is, and necessarily will be for some time to come, operated at a loss. Does the Senator believe as a clear business proposition that it is more defensible to pay a deficit, an admitted deficit, a known deficit, through appropriations by Congress, than to pay a businesslike subsidy for service? In either event the taxpayers pay.

Mr. FLETCHER. I think there is a vast difference. In the case of a subsidy, which we have tried in this country, there are apt to grow up, as there did grow up, tremendous scandals, and that is the situation in the case of subsidies of all varieties in other countries so far as I have been able to learn—favoritism, special interests, various reasons cause scandals to arise, and eventually all benefit intended by the subsidy disappears.

Mr. BRUCE. Mr. President—

Mr. FLETCHER. I yield to the Senator from Maryland.

Mr. BRUCE. Is it not true, however, that the English Government subsidizes English vessels and that no scandal or scandalous results have ever followed from that practice?

Mr. FLETCHER. No; it is not true. All that England ever did was to loan money at a low rate of interest to shipowners to build ships—

Mr. COPELAND. O Mr. President!



Mr. FLETCHER. And specified that they should be equipped as auxiliaries of the navy, and for that reason they helped build the ships.

Mr. BRUCE. I was under the impression that the English Government also subsidized the operation of the ships.

Mr. FLETCHER. No. No country in the world does it.

Mr. BRUCE. I am glad to be corrected.

Mr. COPELAND. O Mr. President, England does more than is suggested by the Senator from Florida. England not only pays a part of the construction cost of all vessels which are built in conference with the navy but England also pays the salaries of certain of the officers. Also she permits the crew to serve as naval auxiliary members, and then, in addition, she pays very liberal mail subventions.

I want to say further, if the Senator from Florida will permit me, that we have to choose, in my judgment, between the position taken by the Senator from Florida—and if there is no other way to do it I am with him, because I want to see an American merchant marine—between Government ownership and Government operation on the one hand and facing the fact that there must be some sort of subvention paid by the Government. For my part I favor the idea of a postal subvention. The times when we have had prosperity in our Navy can be readily shown by drawing a graphic chart showing the high tonnage when we have paid these postal subventions and when we have given no aid to the American merchant marine, showing how it has become depressed, its tonnage has been reduced, and we have practically been wiped off the seven seas. We must face that situation.

Mr. EDGE. Adverting to the statement I made a moment ago, it is my impression that it certainly was the situation a few years ago, though I have not followed it closely in recent years, that practically every country in the world administering a successful merchant marine has some form of subsidy, call it what we may, but some form of direct government aid.

Mr. FLETCHER. If the Senator will look carefully into the laws of the various countries, he will find himself in error. I have endeavored to trace that matter down, and I have been unable to find any instance of direct government aid. In Germany, for instance, where they operate the railroads they give special rates, perhaps, to some freight which is moved by their ships. As to subventions, we have been pretty liberal ourselves. Our mail contracts are quite liberal, and if it is thought wise to increase the pay for carrying the mail, perhaps I might agree with the Senator on that point. That is not exactly a subsidy, because we do not lose money by that operation. The Government receives quite as much as it pays for the carrying of the mail, as I understand it, and therefore there is no loss, there is not out-of-pocket expense, but it is a help to the ships.

Mr. BRUCE. I will ask the Senator whether it is not a fact that the cost of operating ships in foreign countries is much less than the cost in this country with respect to wages and cost of materials of every sort?

Mr. FLETCHER. I think, to be perfectly fair about it, that perhaps it does cost a little more to operate the ships under our flag than the foreign operators are required to meet.

Mr. BRUCE. For information I will ask the Senator how far are ships operated in other countries by the government? In Norway, for instance, do they not operate the ships?

Mr. FLETCHER. I think Canada is the only Government directly operating its merchant marine.

Mr. BRUCE. May not our inability to run a merchant marine successfully be due to the weaknesses that are inherent in the matter of Government operation itself?

Mr. FLETCHER. No; the Shipping Board has not operated in competition with private operators at all. They have avoided it. They have been supplementing rather than competing with the private operation of ships.

But with reference further to the comparative cost of operation, we had numerous hearings extending over months and months of time on that subject. The chairman of the Committee on Commerce, the Senator from Washington [Mr. JONES], will recall when we had up the ship subsidy bill. It finally came out, and I think this was the ultimate conclusion reached by the experts, including Mr. Lasker himself, who was then chairman of the Shipping Board, that what is known as the La Follette Seamen's Act really cut no figure so far as our American ownership of ships and operation of them was concerned; that there was, perhaps, a difference in wages and some other expenses because of better conditions on board ship, better food, better accommodations required by our laws than many foreign countries required. But the total difference in cost between operating an American ship and operating a foreign ship, even considering those most economically operated abroad, was about 2 per cent of the cost of operation.

The cost of operation is not the total cost involved when it comes to shipping, but the difference between the total cost of the operation of foreign ships and American ships would be only about 2 per cent as against the American owner. That is a very small item when it comes to an investment of millions of dollars in ships. A difference of 2 per cent in the cost of operation in favor of the foreign shipowner does not eliminate the American from the seas at all. It would not be considered, other things being equal. Besides, we have other advantages; I might point them out, but I shall not now go into a discussion of that question.

Mr. COPELAND. Mr. President, I am sure the Senator from Florida also would wish to say this about the La Follette Act: We would not want our American workmen, whether they be on land or on sea, to be treated as serfs, would we?

Mr. FLETCHER. Of course not.

Mr. COPELAND. And the humanitarian purpose of the La Follette Act coincides, I am sure, with the wish of the American people. The crews on American ships are treated in a humane way; they have air space, toilet facilities, and a very good quality of food, so that they are treated as decent human beings. So far as I am concerned, if Government ownership were necessary in order to have our crews treated in that way, I should be in favor of Government ownership against everything else, because we would not want to make serfs of our people. However, there are other matters in reference to our merchant marine which have been pointed out by the Senator from Maryland [Mr. BRUCE] which are more fundamental. I do not think the treatment of crews is the important consideration in the increase in the cost of operation, but there are other matters which I am sure the Senator from Florida will point out in the course of his remarks.

Mr. FLETCHER. Mr. President, I think the Senator from New York is correct with reference to the La Follette Seamen's Act and its operation. It makes it possible to attract the American lad to the seas. Of course, there are foreign countries which employ the cheapest possible labor and give their sailors the most economical accommodations and treat them more or less as serfs. We can not compete with those. I will admit that the American competing with a ship line operated in that way would be operating at a disadvantage, so far as competition is concerned in that instance, but we have got to build up sea power and we can not build up sea power without building up seamen and making it worth while for the American lad again to find his place on the seas.

To do that we must provide means for safety and decent accommodations on board the ships. We can do all that, and at the same time get better results out of the crews, and out of the officers. We get better results in other directions than does the foreigner. One capable, able seaman thus accommodated on board a ship, assured of safety appliances and all that sort of thing, and decent living accommodations, is worth a dozen Lascars or other people whom I might mention. So there are equalizing conditions.

Pursuing the subject further, the President said:

The possibility of including their masters and crews in the Naval Reserve with some reasonable compensation should be thoroughly explored as a method of encouraging private operation of shipping.

I am not in disagreement with that; that is along the line suggested by the Senator from New York [Mr. COPELAND]. If we could work that out, we might accomplish something in that connection.

Public operation—

Says the President—

is not a success.

With reference to that, I wish to say that we never really have had bona fide, genuine Government operation in the United States. The operation has been conducted through contracts with private operators of those ships. One of those contracts, known as the M. O. 4 contract, was, as came out in our investigation and as was admitted on all sides, a most infamous contract. It is utterly incredible that intelligent men would enter into such a contract, for under it the Government bore all the losses of the operation, and the greater the losses the more profit the operator made. The idea of operating through private operators was that there might be developed purchasers for the ships; that such operators would build up the trade, increase the commerce, open up new markets, and that after awhile they would be in position to buy the line. That was one idea—the main idea, I think—of continuing the operation through private operators; that we would thereby develop buyers for the ships. However, what interest is it to an operator ever to put himself in condition to own the line when he can make

more money as an operator under Government contract, under the terms of which the more money the Government lost the more money he made. Of course, that contract has been changed and modified in many respects, and it is a much better contract now. There ought to be contracts made with private operators whereby they would share in the losses and which would make it to their interest to have the lines succeed. That, however, has not been done. Could one ever expect any business to make a pronounced success when it was being conducted in that kind of way?

Of all the shipping services under the Shipping Board the only line which is operated by the Government is the United States Lines, consisting of seven passenger ships and conducting a trans-Atlantic service from New York. It is a most important and essential line for this country. There is some cargo space in those passenger ships.

It is important also that that line should be strengthened and built up. There ought to be two good 20-knot ships added to the *Leviathan*. A proposition has been made, and is being considered by the Shipping Board, to recondition the *Agamemnon* and the *Mount Vernon* and put them alongside the *Leviathan* in that service. That would make a magnificent fleet, and the earnings of the United States Lines would be increased by over a million dollars a year if we add to it the *Mount Vernon* and the *Agamemnon*.

Mr. COPELAND. And they would be net earnings?

Mr. FLETCHER. They would be net earnings. That can be done at the expense of some \$12,000,000. The Shipping Board recommend it, and the Budget Director, after a very thorough examination and consideration of the subject, agreed to it and reported in favor of it, but the President struck it out. So the Budget comes to Congress with that provision stricken out. I can not understand why, for if those two ships shall be added to the United States Lines that line will become one of the strongest in the world. It will earn a net profit in season and out of season to an enormous extent, and away will go the claim that we are losing money operating the ships, and, therefore, we must get out of the business and pass these ships to private hands.

Mr. COPELAND. Mr. President, will the Senator yield?

Mr. FLETCHER. I yield to the Senator from New York.

Mr. COPELAND. I am sure the Senator will wish to add this fact, that if those two ships were added to the United States Lines we could then carry the great bulk of our trans-Atlantic mail, which we do not do now.

Mr. FLETCHER. Precisely.

Mr. COPELAND. We are paying to-day to British ships a million and a half dollars for carrying our mails because we have no effective service to do the carrying.

Mr. FLETCHER. Yes.

Mr. COPELAND. So if the two ships were added, as the Senator suggests, we could then have the additional revenue for our ships instead of paying it to British ships.

Mr. FLETCHER. Precisely; the Senator is entirely correct. The schedules could then be so arranged that we could carry the mails in our own ships and receive that benefit.

But, of course, the President does not say that public operation is a failure; he does say that it is not a success. Mr. President, how could we ever expect any business to be a success when we are declaring from the housetops day after day that the business is losing money faster than we want to insure the loss; and when we are saying that, in spite of everything, we are going to quit this business and get out of it? What shipper is willing to make contracts, what shipper is able to make long-term contracts with a shipping line that tells him "To-morrow we may be out of business"? We can not expect a business to be successfully conducted on any such basis as that.

Mr. JONES. Mr. President—

Mr. FLETCHER. I yield to the Senator from Washington.

Mr. JONES. In connection with what the Senator has said I wish to make this suggestion: I had the pleasure of visiting South American ports two or three years ago and I was told by Americans that one of the most effective arguments used against the building up of an American merchant marine was this, that when a merchant contemplated turning the carrying of his goods over to an American line shipping competitors came to him and said, "You had better not do this; you know in the past the Americans have not maintained a merchant marine; we have been giving you good service all the time and now if you turn your business over to the American line the chances are that it will not be running in a few years and then you will have to come back to us"; and they practically intimated what they might expect if that condition came about. Now, apparently we are doing nothing to controvert any

argument of that kind, and our action in the past and our failure to make any provision for replacement of these ships for the future does not make it very difficult for our foreign competitors to convince shippers that under the present conditions they had better not transfer their business.

Mr. FLETCHER. That is a natural condition; there is no question about that, and it interferes with our success.

Mr. BRUCE. Mr. President, may I interrupt the Senator for just a moment?

Mr. FLETCHER. I yield.

Mr. BRUCE. Is not that very inconstancy of policy one of the inseparable concomitants of Government ownership? Inconstancy, incertitude of policy, fluctuations in appropriations from time to time, the existence of conditions which make it impossible to calculate proper adjustments of means to ends are but the ordinary shortcomings and limitations of Government ownership. The managers of private business know exactly what they can count on from year to year, what their revenues are, what their assets are, what the demands for expenditures are, and they frame their policy, and their policy is not subject to congressional vicissitudes of any kind or legislative caprice or whim. That is one of the very reasons why private operation is always incomparably more successful so far as pecuniary results are concerned than is Government ownership and operation. The Government is attempting to grow orchids in maintaining these shipping lines; it is in a business for which it is unfit, just as it has proved itself to be unfit for every form of industrial enterprise. That is the way it strikes me.

Mr. FLETCHER. Mr. President, I see the Senator's point. That has been urged, and there is a good deal in it. I would a great deal rather see private enterprise take hold of the shipping in a business way, run and replace and reconstruct and rebuild, and go on with this business as it should be done in this country. We ought to have some 8,000,000 tons of merchant ships to carry about 60 per cent of our overseas trade; but they will not do it.

Mr. BRUCE. I shrink from subsidies. I, of course, am too good a Democrat not to do that to begin with. I shrink from subsidies; and yet, at the same time, in view of the indispensability of a merchant marine in time of war, I may say, or merchant vessels that can be converted into war vessels, I think I am prepared to vote reasonable subsidies for the maintenance of these lines, provided they are turned over by the Government to private enterprise.

Mr. FLETCHER. I suggest to the Senator that that will not solve the problem; but, with further reference to his observations about the Government being in position to operate ships, what about our Navy? What about our Army? What about our Post Office Department? The same sort of argument would apply to those.

Mr. BRUCE. When you come to the Post Office Department you have to think of other things besides pecuniary profit. There are all sorts of most peremptory reasons why the mails of the country should not be turned over to private handling; but I recall the fact that Mr. Burleson, the former Postmaster General, testified before a congressional committee that if the rural-mail delivery of this country were turned over to private contractors there would be a saving to the Government of no less than \$18,000,000 a year.

Mr. FLETCHER. But, again, the Government is successfully operating the Panama Steamship Line and has been ever since it took over the line. It lowered rates to all South and Central American ports from ports of the United States. It has been a success, although it carries all supplies for the use of the Government on the Canal Zone at less than commercial rates. It is a profitable enterprise.

Mr. BRUCE. I was reading something on that subject the other day, and the writer—I know not how correctly—reached just exactly the opposite conclusion from that which the Senator reached. He said that notwithstanding the enormous tonnage of freight which passes through the Panama Canal, it has been running at a loss—that is to say, when interest is calculated on the cost of the original investment and due allowance made for depreciation, and due allowance made for all the other things that private enterprise has to make allowance for unless it is prepared to pass into bankruptcy.

Mr. FLETCHER. The Senator from Maryland has reference to the Panama Canal. I was not talking about the Panama Canal at all. I was talking about the Panama Steamship Line.

Mr. BRUCE. I did not catch that.

Mr. FLETCHER. That is a different proposition.

Mr. BRUCE. Yes; it is.



Mr. FLETCHER. But in addition to the Panama Steamship Line, the Government is successfully operating the Black Warrior-Mississippi Line. Canada considers her merchant marine one of her chief assets and is making a complete success of its operation.

Mr. COPELAND. Mr. President, will the Senator yield?

Mr. FLETCHER. I yield.

Mr. COPELAND. I desire to speak by the book now with reference to the bounties paid by Great Britain.

Great Britain pays about a million dollars a year to merchant seamen enlisted in her naval reserve. She pays about \$300,000 in the form of annual retainers to seamen who drill one week every year with the navy. Great Britain pays about \$100,000 a year to seamen who are known as Royal Naval Volunteers; but this is not all. She pays naval subventions to something like 20 fast steamers so built as to be readily converted into auxiliary naval cruisers. These subventions amount to about half a million dollars every year. Nor is this all. The Cunard Line receives an annual subvention of three-quarters of a million dollars in return for the obligation which I have already mentioned, of selling or of leasing any vessel of the line to the Government in case of need. Besides all this, the British Government pays liberally for the carriage of the mails. In the case of France, according to the last report I have France paid in construction bounties \$3,441,000 in one year and in operating bounties \$466,000; and Italy rivals France in the extent to which government aid is given. In other words, outside of the United States there is no maritime power operating a merchant marine without very liberal governmental subvention of some sort.

Mr. FLETCHER. Mr. President, the United States pays liberally for the carrying of the mails. That is one thing. The United States has exempted from taxation all material entering into the construction of ships or the furnishing of ships. It comes in free of duty. We have provided in our legislation various means of encouraging capital. Then we have also provided a fund which we loan at 4 per cent interest for the building of ships. That is taken care of in our legislation. So that we are not so far behind in these indirect benefits and encouragements to shipping.

Germany came out of the war with about 500,000 tons of ships. She now has nearly 2,000,000 tons. She had over 6,000,000 tons at the beginning of the war, and she is building ships day after day. All these maritime nations are building ships. Great Britain built something over 3,000,000 tons—and I will refer to that a little later—last year; and there were less than 300,000 tons built in the United States.

Mr. COPELAND. Not a ton for the transoceanic trade.

Mr. FLETCHER. No; not a ton for overseas trade.

Then the President said—and I must hurry on, because I am taking up too much time, and I want to get through with this:

No investigation, of which I have caused several to be made, has failed to report that it could not succeed or to recommend speedy transfer to private ownership.

I may say in that connection, that generally speaking, throughout the country, I think, a majority of the people of the United States would rather see these ships in private hands and privately operated; but after eight or nine years of delay and effort to get rid of the ships we have offered them at \$5 a ton, where they cost over \$200 a ton; we have advertised everywhere and by every means that "price makes no difference; come and take the ships," and they are not taking them. Private enterprise stays out. American money is invested in foreign-flag shipping and is making money. The interest of the foreign shipowners is against an American merchant marine, and especially against the Government's owning and operating a merchant marine, because they know they can not run the Government's ships off the seas.

There are difficulties in connection with Government ownership and operation. I concede that; but we are face to face with the proposition, Shall we have any merchant marine or shall we abandon the seas? That is the whole question; and the only certain way that we now know of for having any kind of a merchant marine carrying even 30 per cent of foreign trade is for the Government to own and operate and for the Government to construct and replace and balance the fleet.

Our exporters and importers—

Says the President—

are both indifferent about using American ships.

No wonder, if that be true—and I am not disposed to question it—I would qualify it, because I think in many instances they are anxious to patronize American ships—but how can

they count upon the service when they are told every day that next month this ship may be sold to somebody else and pass into other hands and the service be abandoned?

It should be our policy to keep our present vessels in repair and dispose of them as rapidly as possible rather than undertake any new construction.

I suppose that is the reason why the President struck out this provision for \$12,000,000, recommended by the Shipping Board and passed by the Budget, for reconditioning the *Mount Vernon* and the *Agamemnon*.

Their operation is a burden on the National Treasury, for which we are not receiving sufficient benefits.

I seriously question that proposition. I think there are losses which will have to be met out of the National Treasury and that may continue for some time, but I feel absolutely convinced that the benefits to the American people far exceed these losses; and why talk about losses to the Government out of the Treasury if the people are benefited?

Why, Mr. President, speedily get rid of the ships? We might just as well abolish entirely the Bureau of Foreign and Domestic Commerce. We might save ourselves the hundreds of thousands of dollars that we appropriate annually to establish new offices and new agencies and endeavor to extend our foreign trade. We might just as well abandon all that effort—and I have been a strong supporter of proper appropriations to maintain the Bureau of Foreign and Domestic Commerce—if we abandon Government ownership and operation of the ships.

What is the use of building up trade, what is the use of making an effort to find new markets, if you must depend upon your competitors to carry your goods to those markets?

For instance, just as an illustration, here is Russia—a country very rich in natural resources. They have an abundance of raw material, but Russia is not manufacturing much now. On account of communism, lack of machinery and facilities, lack of skilled labor, and all that sort of thing, she is not increasing her manufacturing power. The American people are increasing their industrial strength, and encouraging manufacturing. What chance have our manufacturers to get our goods into Russia in exchange for her raw materials if we are to depend upon Germany to carry our products over there?

There is Germany, a great manufacturing country, right next to Russia. Germany has the ships. If the United States has not any, what possible chance has the American manufacturer to get rid of any of his surplus in that country?

That is one illustration, but it applies all over the world. The Senator from Washington spoke about the information he obtained in South America. I was once down there as a member of the joint international high commission, which was holding a session in Buenos Aires. I was told this story, which I have no reason to doubt: Brazil wanted an enormous quantity of cement for building walls, roads, and other structures, and she advertised for bids. Certain tests had to be submitted to, and the bids came in. The American manufacturers of cement stood the highest tests. The price of the American cement f. o. b. here was the lowest, and America was about to walk away with the contract for millions of tons of cement when Brazil said, "What will you deliver it for in Rio?" Then the manufacturers here began to look around, and they found that there was not an American merchant vessel plying between any port of the United States and Brazil. They had to look to the Lamport and Holt line, a British line, and when they applied to them for rates on that cement, they found the rates so high that Belgium and Great Britain got the contract for the cement and the American manufacturers were cut out.

That can happen with steel rails, with agricultural implements, with everything that we have to go to foreign markets to sell. We have an enormous surplus in this country of farm products, and a surplus of manufactured products. Are we going to say that we will rely upon foreign countries to deliver those products to the markets abroad? Are we to be abjectly dependent upon foreign countries to carry our goods to the waiting markets overseas? If we are, we are helpless, and we will find it impossible to maintain living conditions in the United States, and we will find it not worth while to consider expanding or extending our foreign markets.

A correspondent of mine has submitted some questions to me. I have not the liberty to use his name, but the questions are quite pertinent in this connection.

If Congress should attempt to abandon Government ownership of vessels in foreign trade at this time, what position would it leave the country in?

Would it result in private interests coming forward to take over the Government lines now engaged in foreign trade? Or would it mean

just the complete abandonment of existing Government ownership lines, or most of them?

Private interests are not now disposed, or even able, to take over Government-owned lines. What, in such case, would become of them?

Is the taking over of Government lines now a thoroughgoing success?

Or are those who have taken over the ships, at nominal prices for the ships, able to say that with Government ownership abandoned they would be better able to maintain the lines, build new tonnage as required, and bring the lines measurably up to a parity with the foreign lines with which they compete?

Would immediate abandonment of Government-owned lines cause foreign lines to be more considerate of existing lines of American ships in foreign trade? Or would it, on the contrary, cause foreign lines to focus upon the few American privately owned lines and drive them from the seas? And that accomplished, would not American importers and exporters find themselves called upon to pay ocean freight rates so much higher than now are charged as to make the losses of the Shipping Board trivial, in comparison with the greater cost of ocean transportation almost wholly in foreign ships?

Would the inevitable increase in ocean freight rates that would follow Government abandonment of shipping lines have a tendency to increase or decrease our foreign trade, now in such a healthy state of growth? In other words, has not the gratifying growth of our foreign commerce of recent years been due in large degree to the low freight rates that have prevailed, owing to the presence of so many American ships in foreign carrying?

Are any of the existing privately owned American lines engaged in foreign trade now in a position to build more efficient and swifter ships to supplant the comparatively inefficient slower ships now being operated?

What chance is there of new construction except by the Government?

How much would the chance of new construction be increased by abandonment by our Government of its shipping lines?

Would such new construction as might be undertaken, if at all, inure to the benefit of American shipbuilders, if dependent upon privately owned lines? Or would the new ships be built in foreign countries at greatly reduced cost?

Would the United States, if it engaged in new construction, replacement of semioobsolete, inefficient, slow ships, have them built abroad or at home?

In short, would not immediate abandonment of Government ownership of ship lines in foreign trade cause a rapid lapse back into the condition American ships in foreign trade were in at the outbreak of the World War? Would it not mean the destruction of American shipping in foreign trade, instead of its reconstruction now so greatly needed, and sure to be more than ever needed as time goes on?

Opponents of Government ownership all say, "Get rid of the ships." How can they be got rid of? Who will buy them? If bought, can they be maintained in foreign trade at present or in the near future with private provision for replacement as needed?

If not replaced, how long can existing lines of ships continue?

If replaced with more modern, swifter ships, who will replace them?

Who has suffered because of the Government-owned lines? Not the American people, who never enjoyed so long a period of low freight rates as they have enjoyed since the Government began operating ships in foreign trade. The Government? Is a great saving to the people a loss to the Government?

Are foreign ships suffering because of our Government-owned lines? If ocean freight rates are unremunerative, as we are told they are, and foreign ships carry two-thirds of our foreign trade, as now they do, do they not lose two dollars for every dollar lost by the Government-owned lines? And do not the people enjoy the advantage of the low freight rates?

What shipowners would rejoice more or benefit more than foreign shipowners through the immediate abandonment of Government-owned lines?

There is but one answer to that question.

If Americans who advocate the abandonment of Government ownership of ship lines in foreign trade until private American ownership of the lines is assured are not serving the ends of foreign ship lines, whose ends are they serving?

The Shipping Board is now losing through the spigot and American importers and exporters are saving at the bung. But the abandonment of Government-owned lines would cause the importers and exporters to lose through the bung, while the Government would save through the spigot. Whom would that benefit?

Besides desiring an American merchant marine privately owned, the people desire a real American merchant marine. Would they get it more surely under present conditions from private than from Government ownership?

Do the reports of the Shipping Board indicate that its lines in foreign trade could better succeed under private ownership, bearing the board's losses, than they now do, the Government bearing the losses? That is to say, does not the present operation of American ships in foreign trade prove conclusively that they can succeed only through Government ownership for some time longer?

Should not the Government make the lines more secure, more entrenched in foreign carrying, with shippers having greater dependence upon their permanency and more ready to employ them by continuing them until, beyond a peradventure, they could be maintained permanently, than to risk utter loss by selling or "getting rid" of them now?

Is not Government ownership a bulwark against the loss of lines of American ships? Would not the danger of the loss of the existing American lines be infinitely greater at present under private than under Government ownership? Why take such a risk? Who would benefit by the risk being taken? The people? Private American shipowners? The importers and exporters? No; the competing foreign ships.

Mr. McKELLAR. Mr. President, will the Senator yield right there?

Mr. FLETCHER. I yield.

Mr. McKELLAR. The President speaks of the burden upon the Treasury of \$12,000,000 a year for maintenance of our merchant marine. Is not that sum saved manyfold over, perhaps a hundredfold over, to the shippers of America?

Mr. FLETCHER. Unquestionably. In 1924 more than that was saved to the wheat growers of this country when the Shipping Board pulled out of the reserve fleet 105 ships and put them into the carrying of wheat to Europe. It was saved again to the cotton growers of the South in 1926, when the Shipping Board pulled out of its reserve fleet 95 ships and put them into the service, because the British ships, upon which we had been depending, were engaged in carrying coal from Norfolk to England on account of the coal strike in England.

Mr. McKELLAR. If the Senator will allow me to interrupt him again, in this connection I recall very distinctly that in the fall of 1926 we had almost an embargo on cotton because we could not get ships. The Senator knows we had a tremendous crop that year, and it was necessary for us to have ships to transport the cotton to Europe. It was for what it did at that time that I want to commend the Shipping Board for the splendid way in which they came forward and furnished the ships so that cotton could go abroad during the fall of 1926.

Mr. FLETCHER. The Senator is entirely correct, and I feel like joining him in that commendation. They are in position to serve the American people as no private enterprise could ever serve them, because no private enterprise will ever have a reserve fleet tied up idle.

The Shipping Board has, and as our trade needs it, and as our farmers need it, and as our manufacturers need it, as any of our people who have a surplus to go abroad need it, they can call upon that reserve fleet for service and save themselves.

Mr. KING. Mr. President—

The PRESIDING OFFICER. Does the Senator from Florida yield to the Senator from Utah?

Mr. FLETCHER. I yield.

Mr. KING. The Senator will recall that prior to the Civil War American genius produced a merchant marine which carried from 83 to 87 per cent, and some historians say 93 per cent, of our foreign commerce. Does not the Senator think that if we should repeal some of the archaic laws that are upon the statute books; if we would permit Americans to buy ships in foreign countries and place them under American registry; if we would permit American shipowners to have their ships repaired in foreign ports without being penalized for so doing; if we would permit American shipbuilders to bring into the United States materials necessary for the construction of ships without the payment of extortionate tariff rates, an American marine would soon be established sufficient to care for our foreign commerce?

Mr. FLETCHER. I think many of the things the Senator mentions we have now. For instance, we admit free of duty all materials entering into the construction and even the furnishing of ships.

Mr. KING. I think the Senator is in error there, if he will pardon me.

Mr. FLETCHER. That is my recollection of the law. I agree with the Senator that it was a mistake to require that when repairs are made on our ships in foreign yards, 50 per cent of the cost of the repairs shall be added as a penalty. I think that is a mistake. I would like to see that law repealed.

Mr. KING. May I say to the Senator that I have a bill pending touching that subject, and I hope he will see that it is reported out of the committee.

Mr. FLETCHER. I will be very glad to give attention to it. The Senator has spoken of our shipping in earlier days. I have a chart before me which shows that in 1830 vessels flying the American flag were carrying 89.9 per cent of our overseas trade, in 1840 they were carrying 82.9 per cent, in 1850 they were carrying 72.5 per cent, in 1860 they were carrying 68.5 per cent. Then came the Civil War, then the building of ships out of steel, and new kinds of carriers and various causes



resulted in a decline, so that in 1870 we carried only 35.6 per cent of our commerce overseas in American vessels. In 1880 we carried 17.4 per cent, in 1890 we carried 12.9 per cent, in 1900 we carried 9.3 per cent, and in 1910 we carried 8.7 per cent. In 1920, after spending \$3,000,000,000 to build these ships, we carried 42.7 per cent of our foreign commerce in American bottoms. In 1924 we carried 36.3 per cent. Mind you, we begin this policy of getting out of business and getting the ships into private hands, and this is the result: In 1924 we carried 36.3 per cent, in 1925 we carried 34.1 per cent, and in 1926 we carried 32.2 per cent. Probably in 1930, unless Congress takes some positive stand in this connection, we will be getting back to where we were in 1910.

Mr. KING. Mr. President, I think the Senator will agree with me that if we will repeal some of the restrictive measures now on the statute books, we will go a long way toward the rehabilitation of our merchant marine. The Senator knows that our coastwise trade is in the hands of Americans, who have a complete monopoly, and their boats carry millions of tons of freight annually. If we will adopt rational measures with respect to vessels that are engaged in foreign trade and permit such vessels to engage in coastwise trade, we will build up our merchant marine without subsidies or pursuing the policy which is so eloquently advocated by the distinguished Senator from Florida.

It is the opinion of those best acquainted with the handling of our Government-owned ships that inefficiency and extravagance have been largely responsible for the losses which have resulted. Certainly the policies pursued can not be commended by any business organization. If we placed the ships owned by the Government in the hands of competent men, undoubtedly the results would be far better.

I want to call the attention of the Senator to the fact that some of our ships are obsolescent and of types that will soon make them obsolete. They were built under high pressure during the war, and to meet a situation entirely different from that now obtaining. As we have made progress in aerial navigation, we have made progress in shipbuilding. Shippers are demanding faster and better ships, in order that their commodities may quickly reach their destined markets. Germany is building ships which are faster than most of ours, and this will result in their capturing markets in South America and elsewhere which the United States should dominate. England is constructing better ships for commercial purposes and our war-built vessels will not be able to compete with them. Diesel engines and other improved machinery are being employed in German boats, as well as those built in other countries. If we would compete with the ocean carriers of other nations, we must change our present policy. That America can operate at a profit vessels to engage in foreign commerce, and can successfully compete with the other countries, I have no doubt. But we must abandon the present policy and adopt a rational one.

Mr. FLETCHER. I am much obliged to the Senator for his interruption. Every maritime nation in the world is building merchant ships just as fast as they can lay the keels, except the United States.

As the Senator suggests, we have got to improve our ships. We have to build faster ships; we have to construct them upon the latest improved lines. But what private American citizen is going to do it? Where are the individuals or the concerns that are going to do it? There is but one way to do it, and that is for the Government to do it.

Mr. BRUCE. Mr. President, will the Senator yield?

Mr. FLETCHER. Certainly.

Mr. BRUCE. May I ask the Senator from Florida why it is that private individuals will not go into this business? Our people are very avid for gain. They never lose a point when it comes to providing the efforts of a business enterprise in one direction or another. Why is it that private enterprise in this country will not take the form of building and operating ships as it once did, as the Senator from Utah [Mr. KING] has pointed out?

Mr. FLETCHER. I think one reason is that we have been talking about doing something for private shipowners. At every session of Congress there is some suggestion that we are going to subsidize the undertaking and there is hope of a subsidy. That is one thing that holds them up. To my mind there is perhaps another reason more controlling. For instance, if the Senator and I should form a corporation and make up our minds that we were going to establish a line between Baltimore and Rio and we would go to the Shipping Board and make them a proposition for ships, we could get them for a song. We could start our line. But before investing much money in that line we would want to consider what the prospects are of a

foreign ship line running us off the seas by the reduction of rates in a few months.

Mr. BRUCE. In other words, we would be uncertain as to whether we could successfully compete with foreign lines, and that would be because the cost of operation as respects foreign lines is much lower than the cost of operation of American lines.

Mr. FLETCHER. There might be various other reasons. At one time foreign lines organized what they called "fighting" ships. The purpose of those ships was to lower rates as against independent undertakings, to run those undertakings out of business, and then immediately the rates would go up again.

Mr. BRUCE. If there is any real profit in it the American people would also build and operate fighting lines and fighting ships. Is not the real reason after all that we do not take to the sea because it is not profitable for us to take to the sea and because it is profitable for us to adhere to the land?

Mr. FLETCHER. I think that is not quite the case. There is a profit in the business. Seven hundred million dollars is the freight bill paid by our people.

Mr. BRUCE. That is a tremendous prize for the spirit of American competition to struggle for. It is worth struggling for but for the fact that there are economic reasons which render it inexpedient for our people to embark on that particular form of enterprise unless some artificial lure is held out to them in the shape of a subsidy or what not that would tend to equalize the disparity between the cost of operating foreign ships and the cost of operating American ships.

Mr. COPELAND. Is there not another thing, that unless the American shipowner is put on the same plane of equality with the foreign shipowner, he can not compete?

Mr. BRUCE. That is to say, put on the same footing of competitive equality?

Mr. COPELAND. Exactly. The cost of building a ship is an item. Suppose he could not get one from the Shipping Board? If he were to go into the American shipyards to-day, he would find that the cost of building a ship here is tremendously greater than it is abroad.

Mr. BRUCE. Precisely. My attention has been called to that fact.

Mr. COPELAND. There is no question about it. For that reason there is now a bill before the Commerce Committee proposing to equalize the difference actually existing and to pay a subsidy of that sort and give that kind of assistance in order that the American shipowner may build and own a ship at the same price that it may be done abroad.

Mr. BRUCE. That is the only thing to be done as I see it. As long as we have the merchant marine that we have now, I am most heartily in favor of keeping it in repair and making whatever necessary replacement the circumstances require. Until we do turn over these ships to private enterprise I think that should be done. I do not think we should begrudge the necessary appropriation for that purpose, and I am free to say I am inclined to question the wisdom of the President in taking the position he did in regard to the appropriation of which the Senator was just speaking. I had the pleasure last spring of going over on one of our boats, the *Leviathan*, and coming back on the *Leviathan*, and as far as I could see a more superbly operated ship never was built. I was highly gratified, indeed my national pride was elated, by what seemed to me to be the splendid management of that ship in every respect.

But I do believe the Government is unfit in the long run, in the long reckoning, for any form of industrial enterprise, whether the operation of ships or otherwise. If we look carefully into the figures, we will find that not one solitary industrial enterprise ever conducted by the Government has been conducted except at a loss. I have repeatedly challenged Senators to state one single, solitary instance in which, over any considerable period of time, the Government ever conducted anything in the nature of an industrial enterprise except at a deficit, and that challenge has never in one instance been successfully met.

I think, so far as carrying on the shipping business or any other business in the nature of business that is ordinarily conducted by individuals, the Government is simply growing orchids. It is not engaged in the raising of potatoes or corn or wheat, but in the growing of orchids. That is what it is doing now in attempting to operate these ships. At the same time I do hope the Senator will not misunderstand me. I have listened to his most instructive and admirable address, and I confess some of my presuppositions in regard to the subject have been very considerably shaken by what he has said. I do feel that the situation should be met by the Government. As long as we have the fleet, we should maintain it in the proper way for the purpose of saving the lives of our people,

not to go any further. Then I do hope at some time that our policy will be to look ultimately to the transfer of this great industry to private hands even if we have to pay a price for it, like the Senator from Utah [Mr. KING] suggested, in the nature of some kind of a governmental subsidy or subvention.

Mr. FLETCHER. I am much obliged to the Senator for his interruption, but I must hurry on and finish; otherwise I would like to take time to discuss to some extent the points which he has raised. I mentioned three instances a while ago to which I might refer again as evidencing the possibilities of the Government conducting this enterprise. I mentioned the Panama Steamship Line and the Black Warrior-Mississippi Line; also the Canadian Steamship Line operated by the Canadian Government.

Mr. FESS. Mr. President, will the Senator yield for an inquiry?

Mr. FLETCHER. Certainly.

Mr. FESS. I have listened to what the Senator from Maryland stated and I have great sympathy with his feeling in regard to Government operation, and I rather think the Senator from Florida himself has some sympathy with it. I am very much opposed to it as a principle, but I have looked into the possibility of an American merchant marine both from the standpoint of what we have been and from the standpoint of what we are now and ought to be. I am convinced that there is no possibility of an American merchant marine under our present range of cost in production and operation unless we will in some way subsidize to make up the difference, which now seems to be out of the question. It seems to me that we are now facing the alternative whether we will abandon the merchant marine or permit the Government to go ahead with it. From the standpoint of commerce it might be better to let it go, but from the standpoint of national defense it would seem to me an indefensible position to take. For that reason, being very strongly opposed to Government operation, I can not see that there is any other assured way, and I have come to that conclusion very reluctantly.

Mr. FLETCHER. I am obliged to the Senator for his remarks. I think he is absolutely sound in his position. I only disagree with him in that I believe that for the sake of our commerce, for the sake of our trade, for the sake of our producers, the farmers and the manufacturers, we must have a merchant marine in overseas trade and, of course, as a means of national defense. We can not escape that position.

Mr. FESS. I think I may have been misunderstood. I meant for the sake of argument to omit the commerce. The commerce feature is an important one.

Mr. FLETCHER. It is very important. It is vital, it seems to me, to the welfare of the country.

I may say now, generally speaking, with reference to an adequate American merchant marine, that there appear to be two distinct policies advanced. First, that favored by the present administration, to the effect that the Government should speedily get out of the shipping business; second, that the Government should continue permanently to own and operate merchant ships in overseas trade.

In the merchant marine act of 1920 the fixed policy of the Government was announced to be to establish and maintain an adequate American merchant marine. It was declared that the intention was to have this merchant marine "ultimately pass to private hands." It was unfortunate, perhaps, to announce such intention, although it is distinctly a secondary consideration. The prime purpose was to establish and maintain a merchant marine under our flag in foreign commerce adequate to serve our needs in time of peace as well as in times of emergencies.

#### MISTAKEN CONSTRUCTION

The policy announced was all right if properly construed, but those who have had the administration of the act in charge have seemed to largely ignore the prime purpose and lay emphasis upon the second thought. They have appeared to construe the language of the act as meaning the goal to be attained was to get the ships into private hands speedily and get the Government out of the shipping business. In pursuance of this idea those in authority supported primarily plans and schemes for disposing of the ships. They went so far as to sell the *City of Los Angeles* for \$100,000, she being a German-built vessel seized by us during the war, costing approximately \$1,600,000, on which the Shipping Board spent \$2,000,000 to recondition, and also some \$47,000 for hotel supplies within a month of her sale. In pursuance of this policy also the combination cargo and passenger ships—some of the finest afloat on any ocean, having cost the Government over \$30,000,000—were sold to the Dollar Line for \$4,500,000, payable in five years, with the guarantee that they continue the service and fly the American flag during that period of time. A five-year guarantee of service when

sales are made is ridiculous when we consider that time is not more than a minute in the life of a nation. It is not necessary to recite numerous sales at terrible sacrifices in pursuance of this idea of getting rid of ships and getting out of the shipping business. One argument in support of this idea was that the Government was losing some forty to fifty million dollars a year and it was desirable to save this loss.

#### NO EARNEST, SINCERE EFFORT TO SUCCEED

No notice was taken of the fact that no serious, businesslike effort was being put forth to make the business a success, but everything was done to discourage the building up and establishment and maintenance of a merchant marine. Those in authority put themselves in the absurd position of offering the property for sale, which was worse than worthless, according to their claims, inasmuch, as alleged, those who acquired them were bound to lose money. American merchants were admonished of the futility of making contracts for the movement of exports and imports with Government-owned ships because any day, practically without notice, those ships were likely to pass into other hands and under different management and control. No business could succeed on any such basis. Those engaged in it were apparently determined to make it a failure.

#### FAILURE TURNED INTO SUCCESS

Public sentiment reacted to this situation and finally there came a time when more serious attention was given to the problem of operation, with the result that the alleged and exaggerated losses have gradually disappeared and the business is being conducted in a more intelligent, energetic, and efficient manner. It is gratifying to note that the direct operating profit of the United States Lines, embracing five trans-Atlantic passenger ships, for the fiscal year 1927 was \$635,842.97; the loss for the fiscal year 1926, using the same factors, was \$650,000; the net result shows an improvement in 1927 over 1926 of \$1,285,842.97. I am assured that the United States Lines's vessels are in very good condition; that the item of repairs carries several hundreds of thousands of dollars in betterments that could probably be considered as a capital charge. The merchant line of freight ships operated by the Government is also showing a decided improvement, with gratifying results. Those lines, owned by the Government and operated by private operators, are being conducted on a more businesslike basis without very great loss—the losses in no wise approach the saving in freight to our shippers.

#### ATTITUDE OF BUSINESS MEN

I have noted with no little concern the position taken by those who favor the first-mentioned policy, including the resolutions adopted May 4, 1927, by the Chamber of Commerce of the United States and the comment thereon by newspapers to the general effect that the—

protest is as strong as any protest ever made and has the weight of millions of thinking men behind it.

In supporting this resolution Mr. Gadsden said:

I make no pretensions to any special knowledge of shipping matters.

And further:

As I understand the temper of the business men of this country, we are opposed to Government entering into any phase of business, and we are looking hopefully to the time in the near future when the Government will retire from the shipping business and turn back this great field of American business into the hands of American business.

#### SHIPPING BOARD'S POSITION

During the discussion Chairman O'Connor of the Shipping Board said:

We absolutely want to get out of business, and we are willing to sell to any man, any American, who will come and buy the ships at any time, at any place, and the price does not make much difference. I believe that is a fairly good offer to anybody here who has the idea that the Shipping Board does not want to sell ships. Come down to us; we will sell the ships if you will pick the route out, or we will tell you what the routes are, we will furnish you with the figures as to how the ships are running, how they are running at the present time, whether they are making money or losing money. We will give you all the information, and then you can make up your minds which one of the 23 routes you want to buy and we will sell the ships.

He further said:

We want to get out of business just as soon as we can, and we are trying to do that very thing. I make this statement to you: There is no man that can come to you and state to you publicly, so that it will be heard, that he has tried to buy ships from the Shipping Board and was refused, unless he wanted the Shipping Board to hand them over to him for nothing. That we can not do. They are Government property, and we are going to try to get just as much money for them as we can, especially in individual sales. In route sales, as I said before,



gentlemen, the price does not make the least bit of difference to the Shipping Board. Come and make us an offer, anybody here. We have 23 routes now for sale. Come and make us an offer, if it is \$5 a ton, \$10 a ton, or \$7 a ton. Those vessels cost the good old Government of the United States \$200 a ton. There is a vast difference between a \$5.50 capital investment and a \$200 capital investment. We are giving you a big subsidy to buy the vessels; so if you know anybody who wants to buy, come on and buy. We are ready to sell.

What is the use of talking about getting out of business and delivering the ships into private hands in the face of this offer, which has been repeated over and over again? What is the use of talking about the handicap of American owners when they are offered ships at \$5 a ton that cost \$200 a ton and still refuse to get into the business.

#### CORRECT POLICY

In my judgment, and if I had the authority, I should not say another word about selling ships; I should not insert another advertisement or permit any talk about the Government going out of business. On the contrary, I should announce to the world that private enterprise having failed utterly to take the proper interest in ships and the building up of an American merchant marine, the Government is in the shipping business to stay, and the policy shall be from now on to eliminate the words in the merchant marine act, "ultimately to pass to private hands," and shall be to aggressively carry out the prime purpose of the merchant marine act—to establish and maintain an adequate American merchant marine, and to that end the Government shall continue permanently to own and operate vessels in overseas trade. I should make this issue in the next campaign; I should put this pledge in the Democratic platform and go to the country on it, announcing clearly and unequivocally the policy of this Government to permanently own and operate merchant ships in foreign trade, to serve American commerce, protect American business abroad, and meet our competitors on common ground abroad, and serve our country in time of need.

#### NATIONAL DEFENSE

Merchant ships are just as necessary in time of war, or when extraordinary conditions arise, as are cruisers, destroyers, and floating batteries. This was demonstrated clearly, so that any man with any sense at all could understand it, during the World War. After the German submarines became active England would have been forced out of the war within eight weeks but for her merchant marine. Our allies had lost 6,000,000 dead-weight tons to December, 1916, and after that they were losing 650,000 tons a month, making their total losses 8,000,000 dead-weight tons for 1917. No wonder the Allies sent forth their urgent appeal to us for ships, ships, and more ships if the war were to be won. Each appeal was warranted by the acute necessity. Mr. Hurley says in his book, *The Bridge to France*:

Germany never would have begun her ruthless submarine warfare on February 1, 1917, if the United States had possessed a substantial merchant marine.

Chairman O'Connor further said during the discussion of this resolution:

It comes rather hard to me to look out of that window and look at the Washington Monument and then sit here in this room and hear a resolution trying to put the American business men in the hole. They will realize that they are going in the hole, gentlemen, the minute you get the ships off the ocean that the Government is operating at the present time.

There is not a shadow of doubt if all the Government-owned ships were given away to private parties within six months they would, in the main, pass into foreign hands or come under the control of foreign interests.

In 1914 not more than 10 per cent of American commerce was being moved in American bottoms. The United States had only 9.4 per cent of the world tonnage. Great Britain had 41.6 per cent. Now we have 21.6 per cent and are carrying about 30 per cent of our foreign commerce. Does the American manufacturer and producer wish to go back to that situation? Does he not remember that when the German ships were out of commission, the British ships commandeered for war uses to a great extent, freight rates went up on wheat from New York to Liverpool from 3 cents to 50 cents a bushel and from \$2.50 to \$50 on cotton per bale from Galveston to Liverpool? Does he not remember when contracts for cement and for steel were offered the United States producers in South America, they were unable to obtain the contracts—not because their products were not superior, not because their prices were not lower, but because foreign competitors were able to control freight rates, and the cost of delivering the goods was made such that foreign competitors could make deliveries at a better figure?

#### SOME ACTUAL ACCOMPLISHMENTS

Chairman O'Connor further said in the discussion of this resolution of protest:

Ask your farmers out in the Middle West, ask your cotton planters in the South what the Shipping Board did for them last fall. Ask them what it did for them in 1924. We saved the day for them. We saved the day last fall for them by putting ships in. Private owners did not have an American ship to carry a cargo of grain out of the southern ports last fall—not an American ship. They did not have any British ships; they did not have any other kinds of ships, because they all left our grain piled in our elevators, they left the grain piled in cars, they left your cotton stored on the docks—for the reason that foreign ships that were carrying that freight could get more money for carrying coal to England.

At the time of the coal strike in England 90 ships were drawn from this Government-owned reserve fleet and put into service by the Shipping Board, and in that way our surplus products of grain, cotton, and the like were able to reach the markets overseas. Private owners were not and could not be in position to render that service. I call attention to further statements by Chairman O'Connor:

Take your locomotive works: How many locomotives did they ever ship to the southern ports from this country direct until the United Shipping Board put vessels on to carry locomotives there? Ask some of them. Ask the Baldwin locomotive people or some of the rest of them how many they shipped and why they did not ship them? Because the American locomotive manufacturer was up against a proposition of a \$4-a-ton transshipment charge before we put our vessels in there. We cut that charge away, and they are now able to compete with the world. The General Electric Co. and the Western Electric Co. are in the same position. There is no transshipment charge on their goods now. They are going right where the people want them in the southern ports, right direct from New York, with weekly sailings.

#### FOREIGN INTERESTS

There is no doubt but that every foreign competitor desires above all things that the Government shall go out of the shipping business and all ships be turned over to private hands. In looking out for the interests of the United States, I am not given to taking the advice of other countries. It is claimed we are violating a great principle by continuing the Government in the shipping business. I deny it. I am perfectly willing that private enterprise should undertake this business; I would greatly desire that—but for 50 years private enterprise has failed, although we did what we could to encourage it. We were in a helpless condition when the war came on in 1914—in an unnecessary, humiliating, indefensible, foolish position of absolute dependency upon foreign ships to move our products to market and bring to us the things we needed. Now, for 10 years past we have spent time and money trying to prove that the Government could not handle this business successfully and trying to persuade private enterprise to get into it. We have been willing to sacrifice the ships, although the people of this country paid some \$4,000,000,000 for this enterprise; the authorities have made every effort to throw that away, and yet with all these inducements private enterprise holds back and refuses to establish and maintain an American merchant marine worth while. We are in very much the same position that we were in during the war when the German submarines became active. Marine insurance companies came to Washington and appealed to the Government to go into the insurance business; they declined to write marine insurance—they said the hazard was too great. Responding to their appeal, the Government established a Bureau of War Risk Insurance and protected shipping during those trying days. The rates were reasonable, nowise exorbitant—in fact, if there was any increase it was very nominal. After the war these insurance companies wanted the Government to get out of the business. All right, it did; showing a profit of some \$17,000,000 made while engaged in it.

#### GOVERNMENT OWNERSHIP AND OPERATION

It is all nonsense and an unwarranted reflection upon every honest man connected with the Government to claim that men can not be found with sufficient honesty, intelligence, and patriotism to conduct this business. Canada's Government owned and operated ships constitute one of the most valuable assets of that country; Australia has been successfully operating her ships; the Panama Canal Line is a great success, showing satisfactory earnings, notwithstanding they carry all Government supplies at much less than commercial rates. The Government owns and operates the Mississippi & Black Warrior Line, moving a tremendous commerce, keeping down rates, and serving as an additional facility of transportation for great areas of the country. The Government transport lines in the Army and Navy are efficiently and economically conducted. I am thor-

oughly convinced that the one certain way and, so far as we sell, the only possible way for us to have an adequate merchant marine is for the Government to own and operate merchant ships in overseas trade. We must maintain the routes we now have, although the Shipping Board seems willing to practically give them away if private enterprise would keep them up. I would stop this talk, absolutely, about the sale of routes and the sale of ships; I would not even sell the hulls of our so-called obsolete ships for the purpose of being destroyed or scrapped, as per notices in the New York Journal of Commerce of May 16. On the other hand, I would lay them up in fresh water, possibly in the James River, and keep them there without any expense, even for paint, so that they could be drawn upon for use in emergencies—just as supposedly useless hulls were resurrected and pressed into service during the World War.

#### REPLACEMENTS AND RECONSTRUCTION

I do not favor appropriating large amounts of money for the purpose of building new ships in order to replace others that may, in the course of years, be out of commission, if power is to remain in the Shipping Board to sell these new ships at any price they may consider reasonable. I would favor appropriating money to add to the United States Lines such ships as will strengthen and make more profitable that line; I would appropriate money for the purpose of building new ships in order to balance our fleets where needed, but with the understanding and the emphatic declaration that such ships are to be owned and operated permanently by the Government. I would favor a definite program of replacement to supply the facilities our country needs whenever individual Americans fail to provide them.

#### MIDDLE WEST CLAIMS

The Middle West properly demands that steamship routes by way of the Gulf and South Atlantic ports should insure a permanency of service at ocean rates on a parity with the North Atlantic. They justly insist that the ships the United States Government is now operating should be continued in operation.

They are outspoken in the view that in the interest of commerce and national security the Shipping Board should continue to operate through private companies all present lines and services now established and make such additions to lines and services from time to time as may be required.

They very reasonably urge, too, a definite policy of replacement, reconstruction, and modernization of vessels, as our foreign competitors are doing, in order to meet the competition presented by the best of foreign ships. I am in full accord with this position. It is sound and patriotic and vitally important to the whole country.

#### THE SOLUTION

In all candor, having been with this problem since 1909, studied it, read and heard everything put forth on the subject that I could reach, I must say to our Middle West friends and to all others interested—and that embraces all our people—that in order to insure the things you want you must go one step further and insist that the fixed policy of the Government shall be that the Government must own and operate these ships in foreign trade, not interfering with private ownership and operation under our flag, but to adequately supply this country's needs.

The wealth of this Nation is estimated at \$400,000,000,000. We have a foreign trade estimated at \$10,000,000,000 annually. Our freight bill for the transportation of this commerce is estimated at \$600,000,000 annually. What folly it is for the United States to be abjectly dependent upon other countries to carry our goods! Can we expect any fair show in foreign markets, can we ever hope for any expansion of our trade if we must rely upon our competitors to deliver our goods? "Retire from the shipping business"; turn back this great field of "American business into the hands of American business" is fine talk. I can imagine the hearty applause of every foreign shipping interest. If the American business man is not more stupid than I can think of his being, he would raise his voice in protest. He would ask, What then? Who is ready to take over the 24 routes now operated by the Shipping Board or its agents? Who is prepared to operate the 300 ships now engaged by the Government, or any considerable number of them, even if they are given away? What American business men are prepared or ever expect to be prepared to render the service to American commerce evidenced by the figures of the Shipping Board for 1926, when they covered 11,270,341 miles and carried exports and imports valued at approximately \$850,000,000 at a cost to American shippers of 2.2 cents for each dollar's worth of goods carried? Can we afford to have less part in our foreign trade than we are now taking, when—even now—70 per cent of our international trade is carried in foreign-flag ships?

We scrapped 850,000 tons of naval vessels, many of them the most modern types of fighting ships, at a cost of \$400,000,000,

lost our naval position, and now these "business men" want us to scrap our merchant fleets in order not to interfere with private business. We might as well scrap the remainder of our Navy if and when this Government ceases to own and operate merchant ships.

If the Shipping Board goes out of business and the Government ships in foreign trade pass into private hands, within a year thereafter they will be in control of foreign shipping interests. In any case, whether that follows or not, the world routes of trade will be focused in New York and use of the ports of the South Atlantic and Gulf, so far as overseas trade is concerned, will be greatly curtailed, if not abandoned.

Every maritime nation in the world is doing its best to build ships and put them into foreign trade service except the United States.

From 1921 to 1926, for transoceanic service—vessels of 2,000 gross tons and over—

Great Britain built 600 vessels, totaling 3,500,000 gross tons; Germany built 172 vessels, totaling 650,000 gross tons; Italy built 83 vessels, totaling 506,000 gross tons; France built 72 vessels, totaling 450,000 gross tons; Japan built 52 vessels, totaling 250,000 gross tons; and United States built 14 vessels, totaling 137,000 gross tons.

In 1921 the United States had in foreign trade, privately owned, 843 vessels of 2,964,113 gross tons; Shipping Board, 1,716 vessels of 7,656,604 gross tons.

June 30, 1927, the situation was—in foreign trade:

Privately owned, 525 vessels of 2,197,507 gross tons; and Shipping Board, 780 vessels of 4,093,950 gross tons.

In other words, from 1921 to 1927 our shipping in foreign trade has gone from 2,559 vessels of 10,620,717 gross tons to 1,305 vessels of 6,291,457 gross tons. This while we have been supposedly making every effort to create and maintain an adequate American merchant marine and especially to get it into private hands.

Apparently private ownership has increased since 1914, but under the head of "Privately owned" there are tankers, totaling 1,011,000 gross tons, owned and operated by oil companies for the transportation of their own products. Deducting these, it will be noted no progress has been made toward interesting private capital in the enterprise and we can not rely upon that method of establishing and maintaining an adequate American merchant marine.

Mr. President, I wish to have printed as a part of my remarks a letter from the Bureau of Navigation of the Department of Commerce, dated August 11, 1927, which gives the figures respecting our tonnage; also a letter from the Bureau of Navigation of the Department of Commerce of October 1, 1927.

The PRESIDING OFFICER. Without objection, the letters will be printed in the RECORD.

The letters are as follows:

DEPARTMENT OF COMMERCE,  
BUREAU OF NAVIGATION,  
Washington, August 11, 1927.

Hon. DUNCAN U. FLETCHER,

United States Senate, Washington, D. C.

MY DEAR SENATOR: I have your letter of the 2d instant requesting a statement showing—

1. American tonnage in overseas foreign trade—

(a) Owned by the Government.

(b) Privately owned.

Divided into—

(a) Passenger ships.

(b) Cargo ships.

(c) Passenger and cargo.

(d) Tankers.

(e) All others, e. g. Tramps.

On June 30, 1927, the total registered (foreign trade) tonnage of the United States included 1,305 vessels of 6,291,457 gross tons, as follows:

Vessel	(a) U. S. Shipping Board 1,000 gross and over		(b) Privately owned			
			1,000 gross and over		500 to 999 gross	
	Number	Gross tons	Number	Gross tons	Number	Gross tons
Passenger.....	13	214,351	95	638,391	3	1,938
Cargo.....	745	3,756,367	261	538,036	9	6,481
Tankers.....	8	48,055	156	1,011,829	1	832
Refrigerators.....	14	75,177				
Total.....	780	4,093,950	512	2,188,256	13	9,251



Under "passenger ships" are included passenger and cargo ships, as they are not stated separately in the records, and I have given the refrigerator ships, as these are separated. I regret that the number and tonnage of tramp vessels can not be given, as they are not shown in the records, but they are included in the totals of "privately owned."

The Panama Railroad Co. has four vessels of 24,445 gross tons documented. It has several other vessels which are not documented and consequently are not of record in this office.

The Mississippi-Warrior service has 11 vessels of 9,788 gross tons, the Inland Waterway Corporation 1 vessel of 1,411 gross tons, and the Engineer Corps 2 vessels of 2,822 gross tons, all of which are documented. The Engineer Corps has many other vessels which are not documented.

You will understand that many of the vessels included in the above figures of registered vessels were laid up on June 30. Of the Shipping Board vessels, only 283 of 1,745,529 gross tons were active on that date.

Respectfully,

A. J. TYLER, Commissioner.

DEPARTMENT OF COMMERCE,  
BUREAU OF NAVIGATION,  
Washington, October 1, 1927.

Hon. DUNCAN U. FLETCHER,

United States Senate, Washington, D. C.

MY DEAR SENATOR: Complying with your request of August 30 last, I am submitting herewith the following statement showing privately owned vessels (500 gross tons and over) and United States Shipping Board vessels (1,000 gross tons and over) in foreign and domestic trade on June 30, 1921, and June 30, 1927:

	June 30, 1921		June 30, 1927	
	Vessels	Gross tons	Vessels	Gross tons
Foreign trade:				
Private ownership.....	843	2,964,113	525	2,197,507
Shipping Board.....	1,716	7,656,604	780	4,093,950
Total.....	2,559	10,620,717	1,305	6,291,457
Domestic commerce:				
Private ownership.....	1,082	2,266,517	1,432	4,638,848
Shipping Board.....	82	347,167	99	445,756
Total.....	1,164	2,613,684	1,531	5,084,604
Grand total.....	3,723	13,234,401	2,836	11,376,061

Respectfully,

A. J. TYLER, Commissioner.

Mr. FLETCHER. I also ask to have printed in the RECORD a letter written to me from Mr. Fred Brenckman, Washington representative of the National Grange, dated December 14, 1927; and also a communication from the Military Order of the World War dated October 26, 1927, all sustaining the position which I have taken.

The PRESIDING OFFICER. Without objection, it will be so ordered.

The communications referred to are as follows:

THE NATIONAL GRANGE,  
Washington, D. C., December 14, 1927.

Hon. DUNCAN U. FLETCHER,

Senate Office Building, Washington, D. C.

DEAR SENATOR: In a recent letter you asked me to give you the exact wording of resolutions adopted by the National Grange at its recent annual session held in Cleveland, Ohio, November 16-25, regarding the merchant marine and the Federal Farm Loan Board.

Following is resolution with reference to merchant marine:

"Whereas an adequate American merchant marine is vital to our prosperity and security as a nation; and

"Whereas private enterprise, under prevailing conditions, can not fully supply the need in transoceanic service: Therefore, be it

"Resolved, That the National Grange favors continued ownership and operation of merchant ships by the Government through the agency of the United States Shipping Board, as necessity demands; and be it further

"Resolved, That we favor appropriations by Congress to keep our merchant fleet modern and efficient."

The grange formally indorsed Worthy Master L. J. Taber's utterance on the question of the Federal farm-loan system, in which he said:

"We do not need a Federal farm-loan system adjusted to suit the desires of the Nation's financial institutions, or its business interests. With such adjustment it would simply be an adjunct to the Federal reserve act. We do need, and must maintain, a Federal farm-loan

system sound in its financial operation, guided and controlled by men competent to handle this huge undertaking, yet who are in sympathy with and understand the problems of rural life."

A resolution adopted by the grange included the following expression of sentiment regarding the farm-loan system:

"Resolved, That we are opposed to any legislation looking to further concentrated control of the farm loan system."

Trusting that this may give you the information desired, I am

Yours very truly,

FRED BRECKMAN,  
Washington Representative.

DISTRICT OF COLUMBIA CHAPTER,  
MILITARY ORDER OF THE WORLD WAR,  
Washington, D. C., October 26, 1927.

Senator DUNCAN U. FLETCHER,

United States Senate, Washington, D. C.

DEAR SENATOR: We appreciate the clear presentation of the situation surrounding the United States merchant marine which you pictured to us at the luncheon last week.

I am pleased to advise you that at a recent meeting the chapter has indorsed your views on the subject of Government operation.

Yours very sincerely,

EDWIN S. BETTELHEIM, Jr., Adjutant.

Mr. FLETCHER. I also wish to have inserted in the RECORD an article published in American Farming, in October, 1927, written by Alfred H. Haag, which is entitled "Why we need a merchant marine."

The PRESIDING OFFICER. In the absence of objection, it is so ordered.

The article is as follows:

WHY WE NEED A MERCHANT MARINE—INDISPENSABLE TO EXTEND OUR FOREIGN TRADE AND GUARD NATIONAL SAFETY

By Alfred H. Haag, director department of international shipping, Georgetown University

Probably the most vital issue confronting the American people to-day is the much-discussed shipping problem.

The apparent lack of appreciation on the part of the American people of this issue is primarily due to the insidious propaganda that is and has been waged against any move toward the establishment of a permanent and adequate merchant marine owned, controlled, and operated by the American people. It is high time that they realize that most articles which have been published opposing the upbuilding of our merchant marine are nothing more or less than artful foreign propaganda.

American ships of commerce are an economic necessity and an indispensable factor as an auxiliary to our Navy in times of national emergency.

It is inconceivable that the richest nation in the world, with a wealth of \$400,000,000,000 and an international trade of almost \$10,000,000,000 annually, with freight revenues for transporting this trade amounting to \$600,000,000 per annum, can not support a merchant marine of the best-equipped and most suitable types of vessels sufficient to carry the greater portion of its commerce. The fact is that to-day 70 per cent of our international trade is carried in foreign-flag ships.

Flag-waving arguments have no effect in influencing American shippers to use American-flag ships, and will have none until such time as our flag waves from the ensign staff of a ship offering the same advantages in speed, regularity, and frequency of sailings as that offered by our competitors. Not until that time can we be assured of the full support of American shippers; nor is it fair or reasonable for us to expect them to accept inferior commercial service under the guise of patriotism.

The postwar trend has been toward cargo-liner service—that is, a port to port service, in contradistinction to tramp service—and this service now represents 75 per cent of the world's merchant tonnage. Our competitors were quick to recognize this trend and have either built or acquired modern tonnage with increased speeds and other economic advantages, so that to-day we are far behind in this respect.

During the period from 1921 to 1926 the principal maritime nations built for transoceanic service vessels of 2,000 gross tons and over, totaling approximately as follows:

Country	Number of vessels	Gross tons
Great Britain.....	600	3,500,000
Germany.....	172	950,000
Italy.....	63	506,000
France.....	72	450,000
Japan.....	62	250,000
United States.....	14	137,000
Total.....	973	5,793,000

Or for every 1 ship of this class that the United States has built Great Britain has built approximately 42, Germany 12, France 5, Italy 4, and Japan 4.

Of ships building or contracted for at the present time, of the same class and service, the records disclose that for every 1 ship of this class that the United States is building or has contracted for at the present time Great Britain is building or has contracted for 35, Germany 12, Italy 7, Japan 5, and France 2.

Another striking comparison is in the number and speed of vessels, suitable for transoceanic service, registered under the flag of the principal maritime nations.

Ships of 12 knots and over: Great Britain 1,280, France 277, United States 235, Japan 206, Italy 186, Germany 153.

In this class we rank third, being outclassed by our principal competitor, Great Britain, 5 to 1. Of ships 20 knots and over, Great Britain attains an advantage of 6 to 1.

The foregoing illustrates very definitely our weakness in efficient ocean carriers compared with our principal competitor nations. Even Germany has been able to establish herself as a formidable competitor in the world's trade routes. In her fleet of to-day over 60 per cent of her total tonnage is less than five years old with the economic supremacy that that implies.

We seem to be content to operate ships which were constructed to meet a war emergency and unless a policy of replacement is adopted immediately we shall soon fade from the picture and again have to rely on our active competitors to carry our commerce to and from the ports of the world.

American shipping costs more, due to higher construction and operating costs, and we are adding to that handicap by operating obsolete types of vessels in competition with the faster and more modern types of our competitors. It is vitally necessary to embark immediately on a new construction program to provide our Nation with competitive types of commerce carrier.

It seems rather inconsistent for this Nation to have scrapped 850,000 tons of naval vessels (many of them the most modern types of fighting ships), and with it world naval supremacy, at a cost of almost \$400,000,000 and then hold on like grim death to obsolete types of merchant ships while other nations have disposed of their inefficient ships without delay.

At the Washington Arms Conference in 1922 the United States made a sincere effort to assist other nations to curtail their expenditures by acquiescing in the apparent desire for world disarmament; and we proved our absolute sincerity in agreeing to and complying with the scrapping program. We even consented to one of the Washington treaty nations constructing capital ships after the Washington conference. In addition to this, when we glance over the world's shipbuilding activities for the past five years, we find all the nations who participated in the treaty have far outbuilt this country in combatant types of vessels. And to-day we are considerably below the naval strength agreed to at the Washington Arms Conference, which in spirit and principle was intended to cover all types of fighting ships. The American people most certainly felt that the strength of their Navy should be at least the equal of that of any of the Washington treaty nations. But after five years we find that we are trailing far behind.

It is astounding the progress our competitor nations have made in the upbuilding of their merchant and naval fleets, particularly since the signing of the Washington treaty; and it would be rather interesting to know how far American dollars have aided other nations in the strengthening of their sea power.

Of the \$12,000,000,000 in private American loans, it is reasonable to assume that American dollars have aided these nations considerably in furnishing their shipyards with work in the construction of modern commerce carriers and naval vessels with which American ships must compete. It would seem that after all "Uncle Shylock" is a most liberal individual in assisting his friends across the seas, and it is high time that some consideration be given to our problems at home, particularly that of our sea power, which vitally affects the welfare of the entire Nation, both from an economic standpoint as well as that of national security.

If our Nation is to continue to prosper, it is highly essential that the American people awaken to the fact that American ships of commerce are an absolute necessity, not only to insure American industries uninterrupted ocean transportation in carrying their surplus products to the markets of the world, but to insure the continuous flow of our inbound commerce essential to industry.

In the matter of national defense it is obviously necessary that we have an adequate fleet of commerce carriers to support our Navy, as it is the combined strength of both the naval and merchant fleet that reflects the sea power. They are one and inseparable, and if we are to live up to American traditions and ideals our sea power must be second to none.

Mr. FLETCHER. I also ask to have printed in the RECORD a short letter from Mr. Malcom M. Stewart, chairman of the Middle West Foreign Trade Committee, inclosing a bulletin

which is entitled "A middle-west view of present shipping situation."

The PRESIDING OFFICER. Without objection, the papers will be inserted in the RECORD.

The communications are as follows:

MIDDLE WEST FOREIGN TRADE COMMITTEE,  
Cincinnati, Ohio, December 19, 1927.

HON. DUNCAN U. FLETCHER,  
Washington, D. C.

DEAR SENATOR FLETCHER: The advance copy of our December bulletin will be interesting to you, and I would appreciate it very much if you have any comments to make you would give me the benefit of your reaction.

Very truly yours,

MALCOM M. STEWART, Chairman.

MIDDLE WEST FOREIGN TRADE COMMITTEE,  
Cincinnati, Ohio, December 22, 1927.

#### A MIDDLE WEST VIEW OF PRESENT SHIPPING SITUATION

To the members of the Middle West Foreign Trade Committee and others interested:

I attach copy of the resolutions adopted by the Middle West Foreign Trade and Merchant Marine Conference, held under the auspices of our committee at St. Louis on November 16, 1927. The action taken by the conference is in accord with the policies adopted and advocated by our committee during the past several years.

#### TO MAKE EFFORTS EFFECTIVE

In order to make effective the work of our organization it is essential that our members do everything they can to further the policies we are constantly and consistently supporting. Your Senators and Representatives want your views on these questions, particularly at this time when the Congress must take some action on the merchant-marine question. I urge therefore that you immediately request your Senators and Representatives to support the policies advocated by our recent conference.

I desire also to call to your particular attention statements made recently by the President on the merchant marine. We were hopeful the President would at this time come out for some definite aid for the merchant marine and would recommend that in the meantime the Congress do whatever might be necessary to keep our shipping services efficiently maintained and on a par with those operated under foreign flags.

#### ONE VIEW BY THE PRESIDENT

In his message to the Congress on December 6 the President has this, and only this, to say on the vital merchant-marine question:

"The United States Government fleet is transporting a large amount of freight and reducing its drain on the Treasury. The Shipping Board is constantly under pressure, to which it too often yields, to protect private interests rather than serve the public welfare. More attention should be given to merchant ships as an auxiliary to the Navy. The possibility of including their masters and crews in the Naval Reserve, with some reasonable compensation, should be thoroughly explored as a method of encouraging private operation of shipping. Public operation is not a success. No investigation, of which I have caused several to be made, has failed to report that it could not succeed or to recommend speedy transfer to private ownership. Our exporters and importers are both indifferent about using American ships. It should be our policy to keep our present vessels in repair and dispose of them as rapidly as possible rather than undertake any new construction. Their operation is a burden on the National Treasury, for which we are not receiving sufficient benefits."

#### ANOTHER VIEW BY THE PRESIDENT

On the same day in an address to the members of the Republican National Committee the President is quoted as follows:

"Waterways and harbors, however, are useless without ships. Our Government operation of our merchant marine has been helpful in many ways, but it is far lacking of complete success. It would be much cheaper and far more beneficial to get it into private hands under some system of Government support which would enable it to meet the lower costs of building and lower rates of wages of foreign shipping."

#### PRESIDENT'S VIEWS UNDEFINED

We do not know what the President had in mind when he stated the Shipping Board too often yields to pressure to protect private interests. We do know that very recently a majority of the Shipping Board refused to yield to private interests who wanted certain lines on terms that would be contrary to the direct mandate of the merchant marine act, 1920, and for which action the members of the Shipping Board are being severely criticized by those interested.

#### IMPORTERS AND EXPORTERS NOT INDIFFERENT

We do not believe our exporters and importers are indifferent about using American ships, but we do think constant agitation to get the



Government out of the shipping business, before sufficient aids are given private enterprises to take over the lines, is not helping the patronage of our lines.

#### UNDUE PRESSURE ON SHIPPING BOARD

Constant efforts are made by people who want to get the Government out of the shipping business to make it appear that the law directs the Shipping Board to sell all vessels, regardless of the consequences. The law clearly directs the Shipping Board first to establish and maintain the merchant marine and, second, to sell the lines to private companies if by such sales the primary purpose of the law can be attained.

#### NECESSARY TO FOREIGN TRADE

With all due respect to the President, we maintain that the operation of the American merchant marine, either by private enterprise or by the Government, is of vital necessity to the proper growth of our foreign trade and for our national defense, and that the benefits derived from this operation even by the Government far exceed the burden on the Treasury. The expenditures for our shipping services are comparable to the appropriations made for our Bureau of Foreign and Domestic Commerce of the Department of Commerce for the promotion of our foreign trade. And we find a vast majority of our people support this view.

#### NO BURDEN ON TREASURY OR TAXPAYERS

Until some form of aid is given by the Government to enable private enterprise to permanently maintain all of our essential shipping services, we strongly urge that the Government continue the operation of the services through private American companies who have the support of the communities served, and that the Congress from time to time authorize whatever new construction may be necessary to efficiently maintain the lines, the cost of such new construction to come from the construction loan fund of the Shipping Board, and with no call on either the Treasury or the taxpayers.

This is no commitment to permanent Government ownership and operation, but it is a most definite commitment to a permanent, efficient American merchant marine.

And as long as the Government remains in the shipping business we favor the retention of the regional United States Shipping Board to maintain the services. This board was created by the Congress as an independent body to manage our merchant marine and it was never contemplated that the President should direct the policies of the board any more than he would the decisions of the Interstate Commerce Commission. The Shipping Board represents the views of all sections of our country, not alone one section, on this all-important question.

Your Senators and Representatives will appreciate your views. I would be pleased to hear from you on this question.

MALCOLM M. STEWART, *Chairman.*

Mr. FLETCHER. I should like also to have inserted in the RECORD an article by Mr. H. B. Arledge, special representative of the Middle West Foreign Trade Committee, dated November 26, 1927, written to Mr. C. A. Swope, secretary, Traffic Club of New York, in reply to some questions.

The PRESIDING OFFICER. Without objection, it is so ordered.

The matter referred to is as follows:

MERCHANT MARINE—VIEWS OF MIDDLE WEST AND SOUTHERN INTERESTS IN CONNECTION WITH ADDRESS BEFORE TRAFFIC CLUB OF NEW YORK BY IRA A. CAMPBELL, OF AMERICAN STEAMSHIP OWNERS' ASSOCIATION

MIDDLE WEST FOREIGN TRADE COMMITTEE,  
Washington, D. C., November 26, 1927.

Mr. C. A. SWOPE,  
*Secretary of Traffic Club of New York,  
Waldorf Astoria, New York City.*

MY DEAR MR. SWOPE: As a member of the Traffic Club of New York, who is greatly interested in the development of our foreign trade and the maintenance of the American merchant marine, I desire to make a few comments on these subjects in connection with the address of Mr. Ira A. Campbell, general counsel of the American Steamship Owners' Association, before the club on October 25, and which address has recently been distributed to the members in pamphlet form.

I am writing particularly from the viewpoint of Middle Western and Southern commercial people with whom I am actively associated. I spent a number of years in the North Atlantic with the Pennsylvania Railroad System. The Middle West and South want nothing more than an equality of opportunity with our other sections and ports, and we have usually found most of our New York friends in accord with our efforts.

It has been clearly demonstrated on many occasions that the majority of the American people are in complete accord with the declaration in the preamble of the merchant marine act 1920 that "for the national defense and for the proper growth of its foreign and domestic commerce the United States shall have a merchant marine of the best equipped and most suitable types of vessels." A majority of the people heard on this question have stated that they prefer the merchant

marine to be under private ownership and operation, but until it is possible for private enterprise to take over for permanent maintenance the essential lines they desire the Government to continue the present policy of having the Shipping Board operate the services through private American companies.

It is generally admitted, and it was quite conclusively shown during the subsidy campaign of 1922, in which campaign I took an active part in an effort to secure aids for private owners, that American ships can not compete on equal terms in foreign trade with vessels operating under foreign flags. In view of this fact, why should any of the essential cargo lines that are now being maintained by the Shipping Board—lines that carry no mail and which could not benefit from any mail subsidy such as referred to by Mr. Campbell—be sold with only a stipulation that the purchaser must continue the service for a mere five years. If a purchaser did maintain the service for five years and during that time Congress granted no substantial aid to private American shipping companies, it is a hundred-to-one shot that upon the expiration of the five years the purchaser would discontinue the service and place the vessels in some profitable trade, probably our protected coastwise trade. Then the Shipping Board would likely be without suitable vessels with which to reestablish the service and the American merchant marine in foreign trade would soon be only a memory. It is a fairly safe guess that most of the Shipping Board services that have been sold under five-year guarantees of operation to which Mr. Campbell referred will be discontinued upon the expiration of the guaranty periods.

Why is it not best to continue the present method of operation until the Congress does grant the necessary aid and then turn the lines over to private enterprise, instead of trying to force sales at this time that are not sound. In the interim we can continue under the merchant marine act, 1920, urging Congress to make good the declaration in that act by the appropriation of sufficient funds for operations, reconditioning of some of the present vessels and construction of new vessels that are urgently needed to place our lines on a parity with our foreign competitors. We can not expect our producers and receivers to patronize lines that are inferior to those used by their competitors. Funds for this construction could be taken from the construction loan fund of the board, with no call on the taxpayers. This fund was created and still exists for the purpose of making loans to private American shipping companies, but no such companies are seeking loans to construct vessels for foreign service.

Surely this is no commitment to permanent Government ownership and operation, but it is a very definite commitment to a permanent American merchant marine.

The Shipping Board lines are not competing with any private American lines, regardless of statements that are sometimes made to the contrary, and these lines are necessary for the proper growth of our commerce. Constant improvement is being made by the Shipping Board and its private American managing agents in the operation of these lines, and instead of attempting to belittle their efforts and suggest arguments for foreign lines to use against us we should solidly support the board and its agents. The public deals with these private companies, and the relations between the public and these private American operating companies can and should be the same as if the lines were privately owned.

Mr. Campbell quoted from section 7 of the merchant marine act, 1920, to the effect that the board should not continue to operate the lines unless it appears that within a reasonable time they can be made self-sustaining. He apparently overlooked further down in this section the provision that lines being then maintained by the board shall be maintained until in the opinion of the board the maintenance thereof is against the public interests. It is also an error to assume that the primary purpose of the merchant marine act, 1920, is to sell the vessels. The primary purpose is clearly stated to be the establishment and maintenance of the American merchant marine and the secondary purpose is to sell the vessels if the primary purpose can be attained by such sales.

The funds spent on our merchant marine are comparable to the expenditures made by our excellent Bureau of Foreign and Domestic Commerce, of the Department of Commerce, all for the purpose of developing our foreign trade. We do not believe in giving up something we have for something we may have for only five years or less.

We supported the merchant marine act, 1920, and the subsidy bill of 1922, and we will support any proper measure that will enable private American shipping companies to compete on equal terms with their foreign competitors. And in the meantime we will continue to urge the proper and efficient maintenance of our present lines and services and close cooperation with the Shipping Board and its private managing agents in carrying out the mandate of the Congress in the merchant marine act, 1920.

I earnestly urge the members of our club to stand by and support the board and its agents until it is possible to turn our lines over to private enterprise for permanent maintenance. I am sure none of us is impressed by Mr. Campbell's comparison of our Government-owned

shipping to a Russian-owned shoe-manufacturing business. It is not even comparable to our late-lamented Railroad Administration. The Government owns the ships and operates them through private American companies who have the support of the local communities served, and under present conditions we can not hope to retain these essential services under any other plan.

I commend the subject to the careful consideration of the members of our club.

Very truly yours,

H. B. ARLEDGE.

Mr. FLETCHER. I also ask to have printed in the RECORD an editorial appearing in the Southern Ruralist of April 1, 1927. Mr. C. A. Cobb, the editor of that paper, has written quite a number of editorials on this subject, and has a vision and a far-sightedness that is quite refreshing. What he says is to the point, and is so clearly and admirably expressed that it shows he has a full comprehension of the importance of an American merchant marine.

The PRESIDING OFFICER. Without objection, the editorial will be printed in the RECORD.

The editorial is as follows:

#### SHIPPING BOARD RIGHT

The United States Shipping Board has very properly turned down the ridiculously low bids for our great passenger ships—the *Leviathan*, the best ship in the world, among them—and for the freight ships of the American merchant lines. It took great courage to successfully beat off the concerted attacks of foreign owning and operating interests and those private interests here in our own country who would preempt the seas for themselves and who have gone so far as to urge the Government to sink our ships if necessary to get the Government out of the "shipping business." There hasn't been a bid they have not urged the Government with all their power to accept, however inadequate, however irresponsible, or however much money it would lose the American people. What they have wanted above all else has been to get the Government out of their way. As to consequences, they seem not to care a whit.

We are not the United States we were back in 1914. We are the great creditor Nation now and the whole world is in debt to us. Industrially, through war pressure and demand born of the war, we moved into first place among the nations of the world and the whole world is our competitor. Agriculturally, we for a long time have been the greatest export Nation in the world. The world is our agricultural market. Without our own transportation facilities we would be at the mercy of those nations that are fighting for the business we feel that we must have. Handling the commerce of the world, they would divide the business of the world among themselves.

Every nation in Europe is struggling mightily for industrial as well as agricultural independence. These are the same nations that hauled the ocean-borne freight of the world before the war. Can we trust them to handle ours and theirs now? Would they haul our goods to their markets to compete with products of their own industries and own farms? It is different with cotton, to a degree. The world must come to us for that. But what price would we pay were we off the seas and at the mercy of foreign shipping interests? Fortunately, we have a little light on that matter that is surprisingly important.

Back in the fall of 1926 practically all available tonnage was withdrawn from general service in order to haul coal to Great Britain. You will recall that the miners of that country had at the time been on a strike for a long time and that the nation's coal supplies had been completely exhausted and that she had to come to the United States for relief. The demand for coal-carrying space sent carrying charges soaring. Not only that, except for the fact that we had our own boats there would have been none for cotton or wheat or the other products of agriculture which are more difficult to handle and more expensive to handle than coal, and which in large quantities must be moved in the fall of the year.

To show how attractive the coal cargo is, take the case of a ship of 8,800 dead-weight ton capacity. Such a ship carrying coal from Norfolk to the British Isles in October and November, the season of peak cotton movement, brought the operator \$67,500. That same ship hauling cotton from Savannah or Charleston would have returned the operator a gross of only \$41,000. And while the boat carrying coal would have delivered its cargo "free in and out," the vessel loaded with cotton would have had to bear cost of stevedoring here and abroad, and the loss of time in loading and unloading. These extra costs would run to around \$7,000, leaving only \$34,000 to go to the operator of the vessel carrying cotton. Take this \$34,000 from the \$67,500 earned by the vessel carrying coal and the difference is \$33,500 in favor of coal. No private concern in the world could have been expected to turn down any such sum as that in order to save the cotton grower or the wheat grower from whatever calamity might befall him.

And yet our Government did that very thing, and in so doing rendered the Nation a service the value of which defies calculation in dollars and cents. With the prospects of a tremendous oversupply of cotton, the situation was bad enough. We shudder at the thought of what it would

have been had there been no boats to haul that cotton. We have only to recall the distress of 1914 to get a fairly clear picture of the situation we would have had to face. We don't want 1914 any more!

During the period from July to October, Shipping Board boats moved 16,000,000 bushels of wheat and flour from Gulf ports, chiefly to points in Europe. During September and October Shipping Board vessels moved approximately a million bales of cotton from Gulf ports. From July to late fall the Shipping Board made available and assigned a total of 92 vessels for use in moving agricultural products to foreign countries.

Doesn't this justify us in opposing with all vigor the junking of our ships? Hasn't the fact been convincingly demonstrated that this Nation must have its own carrier service? Isn't the farmer's interest as great or even greater than that of anybody else? And aren't we right in rejoicing that the Shipping Board has at last turned a deaf ear to those selfish souls—principally a little group in the East—who seem utterly oblivious to the fact that there are others than themselves? Aren't the facts so overwhelmingly favorable as to put to shame those who unwittingly have attempted to discredit the work of the Shipping Board and the handling of our merchant fleet?

We must have an efficient merchant marine. If private capital won't give it to us—and private capital seems utterly unwilling to make a move in that direction without huge Government subsidy—then we must have Government operation, operation in the interest of safety and service to all.

Here's hoping that the wishy-washy policy of the administration toward this great problem is at an end, and that courage, definiteness, firmness, and a sense of broad national service will characterize the attitude from now on. We need that above all things else.

Mr. FLETCHER. I also ask that an editorial appearing in the Southern Ruralist of June 15, 1927, and entitled "More ships and better service," be inserted in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

The editorial is as follows:

#### MORE SHIPS, BETTER SERVICE

It has gradually been driven home to the administration at Washington that the American public is thoroughly sold to the firm establishment of an American merchant marine that will meet the needs of the American shipping public. The dillydallying attitude that has characterized the administration of our merchant marine from the executive end will be tolerated no longer, and neither will our people stand complacently by and see ships that cost millions given away to private enterprises or junked. These ships are just as precious to the American public now during peace times as they were during the war, and they can do just as much to solve the problems of the producing public of America as they did to win the war. In no uncertain terms those who staged the investigation sponsored by the Shipping Board throughout the country last summer were told that we must have ships and ships a plenty.

Our first preference was for private ownership, but if there were no private concerns who could step in and do the job in a thoroughgoing manner with justice to every section, then the public would look to the Government itself to move forward with shipbuilding and ship operation without delay. It is interesting to see that public opinion, which is all but unanimous throughout the country now as to the value of our own shipping service, is about to bring forth a definite plan and establish a definite policy. The mean things that have been said about the inability of the Government to profitably operate ships have definitely been discredited. Government ships have not only established new lines but are actually showing a profit in the midst of the keenest competition the world has even seen and rendering a type of service that could not and would not have been possible had the merchant ships of the Nation been in other hands. It has taken the unlimited ability of the Nation itself to do what has been done.

In spite, however, of the fact that our ships have made good as carriers of the products of commerce and in spite of the fact that they have saved this Nation countless millions of dollars that would have been sacrificed had we had no merchant marine, there are those who still insist that the Government must get out of the shipping business even if the ships have to be taken out to the deep sea and sunk. Realizing that a definite policy is going to be worked out during the next session of Congress, enemies of our merchant marine, chiefly private ship-operating concerns of the East, are already seeking every opportunity to do injury to our merchant marine however slight the pretext.

Nothing more clearly demonstrates this fact than the recent utterances of J. A. Campbell, president of the Youngstown Sheet Metal Co., Youngstown, Pa. A little while ago at the annual meeting of the stockholders of his company he took occasion, according to published accounts of his address, to denounce the Shipping Board for hauling steel products from Antwerp, Belgium, to New York at \$2.85 per ton when the North Atlantic conference freight rate was \$4 per ton for the same service. It has developed since his statement was made, which was given very wide publicity and which was pointed out by



eastern papers as reflecting the inefficiency and impotency of our American merchant marine service, that the actual rates charged were not as Mr. Campbell had said they were, but that no steel had been hauled from Antwerp to North American ports below rates ranging from \$4.50 to \$6.75 per ton. Had Mr. Campbell taken the trouble to get the facts from the records he would not have been guilty of the gross injustice with which he has been credited. The fact is, the Shipping Board is scrupulously meeting its responsibilities and deserves to be presented to the American public in the true light.

It is doubtless true that Mr. Campbell was sincerely at fault. He undoubtedly was retelling what he had heard, and doubtless heard from a source more directly interested than himself. In this connection we are told by authoritative sources in the Capital City of the Nation itself that the forces of opposition will visit Washington in all their power during the next session of Congress to see to it that our ships are junked if necessary to accomplish their purpose. We can not conceive of our Government being misled into agreeing to a policy that can be characterized accurately as nothing less than wholesale vandalism. The American people will not stand for it.

Mr. FLETCHER. I also should like to have inserted in the RECORD an editorial from the Southern Ruralist of September 1, 1927, entitled "Without ships we lose," and an editorial from the same publication of the issue of October 15, 1927, entitled "The public not to blame."

The PRESIDING OFFICER. In the absence of objection, it is so ordered.

The editorials are as follows:

#### WITHOUT SHIPS WE LOSE

As the success of our merchant marine disperses the smoke screen of opposition it is clearer than ever that one of the most urgent needs of the farmer is ample ships flying the American flag to carry his wares to customers abroad. Having had no ships for generations, our people, especially those of the interior, have had little opportunity to know about the value of a merchant fleet. Not knowing of its value, more often than not they were opposed to any attempts by the Government to establish a merchant fleet capable of demonstrating the value of such an institution to our people.

The World War taught us a lesson, one certainly that we should not soon forget. When it broke upon us it found our country without boats, and without boats we found ourselves unable to move those products of the Nation that enter into international trade. The merchant ships of other nations had been called in off the seas to haul soldiers and war supplies. Without ships, cotton, wheat, and tobacco dropped to the lowest price levels for many years, and brought disaster to agriculture throughout the country. Our farmers and others who had export commodities for shipment abroad were not the only losers. The Nation itself, on account of the need for the immediate construction of a merchant fleet, was forced under the pressure of war-time prices and labor conditions to spend countless millions of dollars in constructing boats that could have been built for a fraction of the war-time costs before war was declared. We had to have the ships, however, and could not stand back on expenses.

When the war was over the Government still owned these ships. It still owns a good many hundred, many of which have contributed immeasurably to the stability of agriculture, particularly here in the South. Except for the fact that the Government was able to place ninety-odd ships in the ports of the South last fall when the coal strike in England brought on another crisis similar to that of 1914, the price of cotton would have gone down to 5 or 6 cents again. Wheat and tobacco would have dropped, too. We of the South should always keep the important fact before us that the exports of cotton and tobacco represent more than one-third of the total exports of the whole country. Ships can make us, and lack of ships can break us.

Going back again to 1914, it cost the cotton farmer that year some three-quarters of a billion dollars more to grow the crop than he got for it. This enormous loss was wholly due to the fact that we had no ships. On two or three occasions President Coolidge has called upon the other great powers to join in a program of disarmament. Up to the present these conferences have been largely without desirable results. The most recent, the one held in Geneva a few weeks ago, was tragic in its ending, leaving the way open for competitive building of great navies. Already Congressmen and Senators are talking about the battleships that must be constructed to bring the American fleet up to an equality with the British fleet. All of this may be necessary. We do not know. Certainly the people of the Nation and their interests must be adequately protected. But to the naval expert and the armament builder protection is one thing and to the statesman it is another. The unfortunate thing is that naval experts instead of statesmen dominated the Geneva meeting. The call in 1914 was not for more battleships but for merchantmen. It was that call that gave us our great merchant fleet, of which we still have a remnant sufficiently large for foundation purposes and that must be preserved. In another emergency of similar character the call would undoubtedly again be for a merchant fleet. Again we urge that we strive by all reasonable means at our command to preserve the merchant fleet we have.

A merchant fleet will function 365 days in every year in the interest of the agriculture, commerce, and industry of the Nation, war or no war. Money spent on a merchant marine will be money that will bring a definite return every year whether there is war or peace. That can not be said, certainly to the same degree, of a battle fleet. A merchant fleet is clearly a constructive force, a building force, serving not only to protect the people in an emergency such as we had in 1914 and again in the fall of the past year, but to make us absolutely free at all times to carry our commerce where and when we will. Such a fleet is imperative if we are to build up all the ports and efficiently serve all the sections of the entire Nation. In spite of this very obvious fact, we had no merchant-fleet policy when the war was over, and what is even more tragic, we still have none, and the Stars and Stripes will be forced off the seas and the whole Nation placed back in its former helpless condition unless the people themselves rise up and demand that something definite be done toward establishing our fleet on a permanent basis once and for all. When the war was over there was an enormous hue and cry for the junking of our boats, and many actually went to the scrap heap. Those same forces are bringing every possible influence to bear upon Congress and upon the administration to force the Shipping Board and all its interests out of business. Private interests at home and merchant fleet owners abroad have joined hands to this end. In spite of all opposition, however, our merchant fleet, though greatly depleted in the number of ships, is making good—making good under conditions that might normally be expected to hopelessly destroy any sort of commercial enterprise. In spite of that fact, however, we have moved forward, and as stated already, our merchant fleet has made and is making its rich contribution to agriculture and all other industries alike.

So, again, war or no war, we must have a merchant fleet. War or no war, a merchant marine is one of the most pressing needs, not only of agriculture but of the entire industry of the Nation. Money that goes into the building and upkeep of battleships might be wasted, but money that goes into merchant ships will bring a rich return.

#### THE PUBLIC NOT TO BLAME

President Coolidge, according to recent White House news dispatches, is greatly disappointed at the lack of public interest in our merchant marine. He can not understand the indifference, and feels that lack of keener public interest has been and is now the greatest handicap to the successful operation of our merchant fleet.

A little while ago officials of the United States Shipping Board spent a month or so in the field holding public hearings. These hearings were held for the specific purpose of determining definitely the attitude of the public toward our fleet of merchant vessels—what the public wanted the Government to do. These meetings called out the thinking leaders in all phases of our agricultural and industrial life. They were held in every section of the country. Out of these hearings came the overwhelming and unqualified demand: Give us an adequate merchant marine. Let us have it under private operation if possible, but if that is not possible, then let the Government give us an adequate merchant marine—that was the public answer.

The opinion was emphatically voiced at these meetings that the shifting indefiniteness of the administration was the one great difficulty, and that until the negative, positionless policy of the powers that be in Washington was changed to one of positive action and definite policy the public would have little basis upon which to build confidence. For a long time it has very clearly been a case of lack of leadership at Washington and not public apathy that is to blame for the alleged indifference of the people. Had the President and his associates in power realized the need of the hour and had he and they taken a definite stand and laid down a definite policy, a different story would be to tell to-day. If the President's statement is a forerunner to the adoption of a definite and vigorous policy, he need not worry about the response of the public, for the public is convinced as never before in history of the vital need of an adequate tonnage of merchant vessels.

In this connection it is deeply gratifying to those who have realized the vital importance of a merchant marine and who have helped the Shipping Board fight its battles through these years of greatest trials that our boats are making good. It is remarkable that our fleet has been kept afloat and efficiently functioning in the interest of our international trade in spite of an antagonistic administration, and while in the hands of officers chosen for the purpose of scrapping the whole outfit. But it has made good in spite of all of these.

Administration leaders who have fought the building of a merchant marine are returning from investigations abroad. They left this country with the feeling that the fight they had made in the Halls of Congress to scrap our boats was in line with the best interests of the people. Back from Europe, however, where they had opportunity to study our country in the light of its relationship to other countries of the world, where they have seen our commerce in international trade, and where they have witnessed first-hand the reshaping processes of competitors, they tell us that if the United States is to hold a respectable position in international trade that we have got

to have our own boats. They tell us that the life of our international trade, because of developments overseas and because of the negative policy at Washington, hangs by a thread, and that if for any reason official Washington is unable to reverse its attitude and proceed promptly to build up an adequate fleet of merchant vessels that serious economic reverses are ahead of us.

Senator WESLEY L. JONES, of Washington, puts it this way: "No merchant marine means the destruction of our commerce by the ruthlessness of foreign competitors, and we have learned by sad and expensive experience the necessity of having a fleet in time of war." The foregoing is about in line with what other responsible students of the problem are saying. As a matter of fact, it is so nearly what they all say that it would serve as a sort of unanimous quotation.

One of our most widely read New York business writers has swung around to the position where he believes "that the greatest opportunity for the capture of world trade since the war now is opening before the Shipping Board." Such a statement coming from that quarter—the stronghold of the opposition—would have been regarded as rank heresy had it been made three or four years ago, when we knew less than we know now about the position this country occupies in world affairs.

All of which brings us back to the point that we made in the beginning. The trouble with the building of an adequate fleet of vessels lies at the doors of the White House and not at the doors of the public. The White House has not even thrown the poor dog a bone, to say nothing of giving it the attention and support it deserves. In spite of his protestations, Mr. Coolidge has no alibis. And in spite of all opposition we are going to have our own boats. The people will see to that.

Mr. FLETCHER. Mr. President, 12 years ago, on November 12, 1915, I delivered an address at a dinner of the Academy of Political Science in New York. The closing portion of that address I would repeat now. In my judgment it is applicable to the situation in which we find ourselves to-day. Without reading it, I ask to have the last page of the address inserted in the Record.

The PRESIDING OFFICER. Without objection, it is so ordered.

The matter referred to is as follows:

Thought, however mature, conviction, however deep, get us nowhere until they begin to operate in will and act. Merely recounting with reiteration the deplorable situation, and nothing more, evidences a species of cynicism, an unhealthy state of mind—lays no keels.

There never was a time when a change in shipping conditions would be less disturbing and more advantageous than right now. Now is the best possible time to inaugurate such changes. Nothing will be gained by delay. We have all the information upon which to act. Satisfaction with present conditions means a sacrifice of golden opportunities and an inexcusable lack of proper conception of our responsibilities.

Monetary and trade supremacy had its inception on the banks of the Nile. It moved westward to the shores of the Mediterranean and thence further westward out into the open sea of commercial activity. It passed from Portugal to Spain, then to Holland, then to France, and then to England. Venice, Lisbon, Amsterdam, Antwerp succeeded each other as centers; then London, the frontier town of the Middle Ages, at last supplanted them all.

The earlier struggles were directed to the attainment of some particular national supremacy, and that was to be founded on monopoly. That meant trouble. But the distinctive feature of commerce to-day is its international character. It is not a question of monopoly or particular supremacy; it is a question in large measure of leadership, and in this the factors are natural advantages, better methods, better facilities of exchange, efficient and economical service, a sound currency and financial influence, and the freest markets. I have seen it averred that in all the world's history nothing has had lasting importance like trade. Pitt declared, "British rule is British trade." Chamberlain expressed the same thought in the statement, "The empire is commerce."

The marvelous resources of the United States, her financial strength and facilities, the awakening of the East and the promising outlook in Latin America, the Isthmian Canal, the opportunities for forming new commercial ties, the relations founded on a better understanding, and mutual good will toward all the world mean, if we but discharge our responsibilities, the establishment of commanding centers of trade in the United States and drawing westward again commercial leadership.

The great English poet and dramatist gives us this picture:  
Antonio is sad. Salarino says to him:

"Your mind is tossing on the ocean,  
There, where your argosies with portly sail,  
Like signiors and rich burghers on the flood,  
Or, as it were, the pageants of the sea,  
Do overpeer the petty traffickers,  
That curtsy to them, do them reverence,  
As they fly by them with their woven wings."

To which Antonio replies:

"Believe me, no; I thank my fortune for it,  
My ventures are not in one bottom trusted,  
Nor to one place; nor is my whole estate  
Upon the fortune of this present year,  
Therefore, my merchandise makes me not sad."

Mr. COPELAND. Mr. President, I merely wish to say that I think the Senator from Florida is to be congratulated upon the very interesting and able address which he has just concluded. I hope it will engage the attention of Senators. We have many problems which need to be solved, as the Senator from Florida has pointed out. There will be legislation proposed, and if we are to have a merchant marine to carry on our commerce and also as a means of national defense, there must be early action. Whether we agree or not with the Senator from Florida in his definite conclusions, we can not, as patriots and as citizens of this great country, disagree with the conclusion that it is vital to the national welfare to preserve and maintain an effective merchant marine.

#### MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Haltigan, one of its clerks, announced that the House had disagreed to the amendment of the Senate to the bill (H. R. 483) authorizing the Secretary of the Treasury to acquire certain lands within the District of Columbia to be used as sites for public buildings; requested a conference with the Senate on the disagreeing votes of the two Houses thereon; and that Mr. ELLIOTT, Mr. TAYLOR of Tennessee, and Mr. LANHAM were appointed managers on the part of the House at the conference.

#### PUBLIC BUILDINGS IN THE DISTRICT OF COLUMBIA

The PRESIDING OFFICER (Mr. WATERMAN in the chair) laid before the Senate the action of the House of Representatives disagreeing to the amendment of the Senate to the bill (H. R. 483) authorizing the Secretary of the Treasury to acquire lands within the District of Columbia to be used as sites for public buildings, and requesting a conference with the Senate on the disagreeing votes of the two Houses thereon.

Mr. KEYES. I move that the Senate insist upon its amendment to the bill and agree to the conference requested by the House, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the Presiding Officer appointed Mr. KEYES, Mr. WARREN, Mr. FESS, Mr. REED of Missouri, and Mr. ASHURST conferees on the part of the Senate.

#### AFFAIRS IN NICARAGUA

Mr. HEFLIN. Mr. President, I understand the Senate is soon to adjourn until Monday. I am very sorry that this step is to be taken, for there is a tremendously grave and unfortunate situation confronting our country at this hour. American boys are now being killed in Nicaragua. We have no right, moral or legal, to use an armed force in Nicaragua; no just cause or lawful excuse. We are violating the constitution of Nicaragua and we are violating the Constitution of the United States by the presence and activities of our armed forces in our neighboring Republic of Nicaragua.

A most remarkable situation confronts the American people. The President is conducting a war down there, and has been conducting it for months, without ever consulting Congress. Congress met on the 5th of December last, but the war proceeds through Executive orders without the lawmaking body of the Nation ever being consulted. I am not willing to permit the Senate to adjourn until Monday without giving some Senators an opportunity to protest against this unlawful and un-American conduct. I do not want to see another American boy killed in this war in Nicaragua. L. C. Russell, a fine American boy from my State, has been killed down there. He was forced to go out against natives of Nicaragua who were fighting for self-government; forced to fight against natives who were seeking to drive out of their statehouse an impostor and usurper; forced to fight against natives who were seeking to remove from the office of President the man who with armed bandits drove the President of Nicaragua out of office.

Mr. President, it looks as if this Government is entering very fast upon the road to imperialism. It looks like our Army is now being used to collect the debts of Wall Street financiers. I wonder if Washington and his ragged Continentals, who left their bloody foot tracks in the snow at Valley Forge ever thought that they were fighting to establish a government that would one day become the handy instrument of predatory wealth and a collecting agency for men who put their filthy lucre above the welfare of their country and the lives of its soldiers?



Nicaragua is a sovereign nation, separate and apart from our own. We have no right to go there with an army and force our will upon the people of Nicaragua. We have already incurred the ill will and hostility of nearly all of the Central and South American nations by our foolish and unwarranted war upon the people of Nicaragua. And we are digging up snakes perhaps that we will be unable to kill for years to come. Think of it! Peaceful, liberty-loving America butchering her men on Nicaraguan soil in a war with the patriotic natives who are fighting for self-government, for the same principles that our fathers fought for in the War of the Revolution. And what is the sentiment of Nicaragua with regard to this situation?

The sentiment of the masses of Nicaragua is overwhelmingly against Diaz and his fostered government.

They have recently had elections in the various municipalities of Nicaragua. I hold in my hand a copy of a splendid magazine published here in Washington, entitled "The New Age." It contains an article written by Dr. Albert H. Putney, director of the school of political science of the American University, Washington, D. C. It is the December number of the magazine, and in the article to which I have referred Mr. Putney tells us:

Recent municipal elections in Nicaragua resulted in an overwhelming victory for the Liberal Party.

And yet, in spite of that, Mr. President, we are down there with our troops fighting to sustain and keep in power the minority party—a bastard régime—holding an impostor in the office of President by the armed forces of this great liberty-loving Government of the western world. It is simply outrageous. The fathers and mothers of this Nation have a right to protest against such irregular, outrageous, and inexcusable conduct.

In the face of this grave and serious national situation why are we going to adjourn until Monday? Is it for the purpose of giving the administration a chance with the Senate adjourned to rush more American boys down there to be killed in one big effort to overpower with overwhelming numbers the natives who are fighting for home rule and self-government? They are working fast. The newspapers tell us this morning that the Diaz government has applied for a loan from Wall Street. So Wall Street is to furnish the money to help buy the presidential election in Nicaragua, and American soldiers with guns and bayonets are to patrol the streets about the ballot boxes, intimidate the Liberals, and do their bit to help Diaz control the election.

It is worse than the force bill which a Republican Congress undertook to put upon the South in reconstruction days—our Government sending armed forces to hold elections in foreign republics, to keep one faction from voting and aiding the other faction to remain in power. My God, what are we coming to?

Mr. President, I have here a letter from an American father who has just lost a son in the war in Nicaragua. My heart goes out in tender sympathy to him; God bless him and his good wife in their sorrow; their son has been butchered in Nicaragua—let me read the letter?

ST. LOUIS, January 4.

John S. Hemphill, of Ferguson, Mo., a suburb, whose son, Sergt. John F. Hemphill, was killed last Saturday in action between the United States marines and the troops of General Sandino, Nicaraguan rebel, to-day made public an open letter to President Coolidge protesting against what he termed the "disgraceful war" in Nicaragua.

He said:

What we are doing is no less than murder for the sole purpose of keeping in power a puppet President and acting as a collector for Wall Street.

Mr. President, that is the way an American patriot and father feels about this terrible thing. His son has been killed down there in this outrageous, unauthorized, and awful war. Congress has not authorized war in Nicaragua, and yet we are in war down there. We are sending more troops down there now, and instead of doing something to stop it, the Republican Senate has adjourned over to Monday. We should withdraw the marines and bring them out and wash the hands of this Government of it all. That is what we ought to do. We are fast becoming an imperialistic power. We are not going any further on that road without my vigorous protest.

Indeed, I have protested before, but this Nicaraguan affair is the most daring and far-reaching step that we have taken. But let me finish this letter:

My son survived honorable service through the World War against Germany only to be officially murdered in a disgraceful war against this little nation.

I hope enough Senators will join me in this movement to stop this effort to adjourn, that we will stay here and debate this question to-morrow, and let the fathers and mothers whose sons are yet to be killed in a long-drawn-out war in South American countries if this war continues—that some of us were here doing what we could to stop this thing.

Is this strange and unauthorized warfare going on much longer, this war inaugurated by the President and Secretary Kellogg? Are we going to sit here and remain silent while we are in session and permit it to continue? If so, we ought to resign and go home. There are men in the States at home who would protest if they were here. Certain big Wall Street interests who have bought bonds in Nicaragua do not want this question discussed in the Senate. They want to keep the people ignorant as to what is going on in Nicaragua. Be quiet, they whisper, certain financial interests have joined hands with the Roman Catholic Church power in Nicaragua.

Let me give you the facts to back that statement.

Mr. Putney, in this same December article in *The New Age*, says:

The Liberal newspapers in Nicaragua have recently acquired courage to renew attacks upon the control of the schools of their country by Roman Catholic priests, and the great degree of control which the hierarchy exercises over the present Conservative government. A newspaper at Managua (*La Noticia*) has been publishing a series of detailed statements showing the sums of money which the Government has been giving to the Roman Catholics for educational purposes.

This same paper has also published many letters from its subscribers showing the bitter feeling in the minds of the mass of the citizens of Nicaragua against the present union of church and state, with the church as the controlling influence in that country.

Senators, are we going to remain silent and permit these American boys to continue to be butchered in such a cause—an unholy alliance between the money changers of Wall Street and the Roman Catholic hierarchy of Nicaragua? Diaz is a Roman Catholic. He does not represent a majority of the Catholics of Nicaragua. There has been a revolt against this man and his party among many Catholics, and all the other elements are against him. Two-thirds of the people of Nicaragua condemn this bastard government; and yet we, of this great Nation, have our soldiers down there, spending the money of the taxpayers of the Nation, spilling the blood of the best boys in the Republic, and murdering soldiers under the flag for such a cause!

Mr. President, it is time that this country was waking up. I call on other Senators here to express their opposition to this course. I have a resolution pending now in the Foreign Relations Committee calling on the President to withdraw our troops. If we could stay in session, we could get action on it by Monday, and maybe save the lives of many American boys. But if we adjourn, this forum will be closed and no action can be taken. And the devilish work will continue in Nicaragua.

One hundred and fifty-odd years ago this Government was struggling for its liberty. Patrick Henry loved it so well that he said he was willing to die for it. He said, "Give me liberty or give me death." To-day the patriots in Nicaragua who are going up against this great, strong Government love their own land and self-government so well that they are willing to die for it. It is claimed that we have killed hundreds of them, mowed them down like cutting wheat at the harvest time—for what? To protect American rights and interests? No. But what are we doing? Two influences are at work—certain financial interests in Wall Street and the Roman Catholic hierarchy.

I know it will offend some people for me or anyone else to talk that way, but I am going to tell the truth about every question that affects my country. I am not going to be mealy-mouthed about any of these questions when the welfare of my country is involved and the lives of American boys are at stake. I am going to lay my finger on the facts, cost what it may to me personally.

Now, I am going to ask the Committee on Foreign Relations to act at once on my resolution. I know that the great chairman of that committee will do what he can—I believe he will—and I hope the other members will join him. I am going to insist upon action on that resolution. I am going to continue, as best I can, to give the facts to the people of the country.

Thank God, it is still their country, although many of its instrumentalities are becoming paralyzed. Insidious, predatory influences are moving slowly but steadily upon many of the instrumentalities of the Government; and I want to say that I am astounded that we have not had more protests against this bloody, outrageous war that is going on without authority

in Nicaragua. The time was when almost every Senator would have been on his feet denouncing it.

What is the trouble? Are we losing our courage, seeking to move along the lines of least resistance, afraid of the frown of some big influence? Mr. President, no man who puts his political fortunes against the lives of American boys at a time like this is worthy of being in either branch of Congress. We ought to stand here and fight for the rights and the lives of these boys. They can not speak for themselves here. Here is a broken-hearted American father, with crape on the doorpost of his American home, bowed in grief over his dead boy, butchered in Nicaragua, writing the President that this is a disgraceful war, and that the Army has become a collecting agency for Wall Street.

God help the Republican Party if it will not rise to the occasion and help us to deliver this Government out of the clutches of this unholy alliance—out of this miserable and indefensible war in Nicaragua!

Mr. FESS. Mr. President, in 1914 there was a landing of the marines at Vera Cruz, Mexico. The landing was without any authority from Congress, but by the order of the President of the United States, Woodrow Wilson. The matter was taken up in the other House by resolution similar in character to the resolution offered by the Senator from Alabama at this time. Some considerable criticism was made against President Wilson for what was charged at that time to be a step that might lead to war without any authority from Congress.

I was a Member of that body at the time. I very distinctly remember the eloquent address of the Senator from Alabama in denouncing the persons who had taken the position that he is taking to-day; and, to refresh the memory of the country, I want to read from that address of the Senator from Alabama [Mr. HEFLIN].

In referring to the matter of landing the marines, which was charged by a certain group in the House with which I did not have sympathy at the time, to be an effort to drive from power in Mexico a President, namely, Huerta, a statement to that effect was made by a Republican Member; and the Senator from Alabama used the language I am about to read on the 20th of April, 1914. The World War broke out on the 1st of August, 1914. This has nothing whatever to do with the World War, because no one ever dreamed of a world war in April, 1914.

The eloquent Senator made this statement:

This is a solemn occasion—too solemn for partisan politics—and yet some gentlemen on the Republican side have lugged into this discussion the claptrap rubbish of political desperadoes, so thirsty for the fountains of political power, so hungry for a return of the emoluments of Republican control, and so dead to the demands of patriotic duty that they are willing to embarrass the administration, slander the President, brook indignities upon our soldiers, and insults upon our flag in order to make political capital, to gain partisan advantage.

Further on:

The gentleman now seeks to shackle the feet and manacle the hands of a Democratic President when our dignity and honor are at stake, when our soldiers are humiliated, and our flag insulted by the ungodly and brutal tyrant of Mexico. [Applause.] The gentleman now makes mean insinuations about the motives that prompt this peace-loving, patriotic, Democratic President to uphold the dignity and honor of the American Union.

Further on:

They have denounced his policy of watchful waiting and urged that he should put an end to the terrible conditions in Mexico; and now, when our country, without any fault on her part, is insulted by the self-constituted authority of a murderous and drunken tyrant, the President is criticized and abused by men who, in their desire to serve their party, prove faithless to their country.

Further on:

Mr. Speaker, now that the President of the United States—the Commander in Chief of our Army and Navy—has found conditions serious enough to send battleships to Mexican waters, it is the duty of every Member of Congress and of every patriotic American citizen to stand faithfully by him as he goes to uphold the dignity and the honor of this, the greatest Government on the globe.

I commend these words to the Senator at this time.

Mr. HEFLIN. The case cited by the Senator from Ohio [Mr. FESS] is in no sense on all fours with the present one. At the time to which he refers the President of Mexico had just been murdered. Huerta, his trusted military chief, had butchered him, had killed him in the statehouse, and the outlaws and bandits had taken charge. The Government of Mexico had been overthrown and bandits had attacked American citizens

and seized property of the American Government. It was then that the President landed those troops temporarily. Be it said to his credit, he gave prompt attention to America's rights and interests and then brought the armed forces home. He did not stay there long.

But in the case of Nicaragua the situation is entirely different. No American property had been seized, no American citizen had been attacked. The truth compels us to admit that our soldiers have been used to protect a bastard government over the will of two-thirds of the people of Nicaragua who are seeking to return to national control the officers duly elected by the people of Nicaragua. It is their right and duty to do that. The President started this war in Nicaragua when Congress was not in session, and he continues to carry it on when Congress is in session. He has never obtained the consent of Congress to involve the United States in war in Nicaragua.

No, Mr. President, there is nothing at all in the suggestion the Senator from Ohio has made about the speech I delivered in the House in 1914. I want to repeat now, in the time of my good friend, the able and distinguished Senator from Tennessee, that I am going to ask the Senate to remain in session to-morrow and discuss this Nicaraguan question, and to have a session Saturday for the purpose of acting on my resolution which requests the President to withdraw our armed forces from Nicaragua. I ask unanimous consent that we may have a session of the Senate to-morrow and Saturday for the purpose of discussing and taking action upon my resolution providing for the immediate withdrawal of our soldiers from Nicaragua.

Mr. JONES. The Senator probably is not aware of the fact that the Senate has already entered into a unanimous consent agreement that when we adjourn to-day, we will adjourn to meet on Monday next.

Mr. HEFLIN. I am sorry that has been done; it must have happened when most of us were at lunch, and there were but few Senators here.

Mr. JONES. Oh, no, Mr. President; it happened immediately after the convening of the Senate to-day.

Mr. ROBINSON of Arkansas. Mr. President, I do not think the Senator from Alabama ought to make a statement of that nature without being sure of his facts. As a matter of fact, the Senator from Kansas [Mr. CURTIS] at the beginning of the session this morning asked unanimous consent that when the Senate adjourns to-day, it adjourn to meet on Monday. He stated reasons for making the request, and I, in the open session of the Senate, with rather a large attendance, said that I had no objection to the request of the Senator from Kansas.

Mr. HEFLIN. I did not know that, Mr. President.

Mr. JONES. The request was made right after the call of the roll, when a quorum was present.

Mr. HEFLIN. I did not know that. I happened to be called out of the Chamber temporarily. I regret that I was not present. There is no Senator in this body who has a better record for attendance here than I have. I do not mean to boast about that; it is my duty to be here. But I was unfortunately out when this thing happened. But that does not change the seriousness of the situation. It will not affect the other purposes for which we did adjourn to come back in session to-morrow and discuss the Nicaraguan question. I wish it could be done. I ask it in the names of the boys who are yet living, who may have to die in a useless and cruel war in Nicaragua, and in the names of those dead boys who have been sacrificed to the outrageous, unholy purposes that I have mentioned.

#### AGRICULTURAL RELIEF

Mr. McKELLAR. Mr. President, I am going to detain the Senate for only a few minutes.

I see the senior Senator from Oregon [Mr. McNARY], the chairman of the Committee on Agriculture and Forestry, in the Chamber, and I am wondering if I can not interrupt his silence, and ask him to state when he expects to have a farm relief bill reported out from his committee?

Mr. McNARY. Mr. President, answering the inquiry of the able Senator from Tennessee, I think the committee is in a position to take up consideration of that important subject matter about the 1st of February. I hope to pass it some time between the middle of February and the 1st of March, and have it promptly signed by the President.

Mr. McKELLAR. Mr. President, the Senator from Oregon [Mr. McNARY] has recently introduced in the Senate what is now known everywhere as the famous McNary-Haugen farm relief bill. It is substantially the same bill that Congress passed at the last session, but which the President vetoed. I trust that the Committee on Agriculture will, at the earliest possible moment, report that very excellent measure favorably.



The sooner the better. I regret that it is to be put off until February.

Mr. President, the President recently reported that 70 per cent of the population of America were exceedingly prosperous. He admitted that the other 30 per cent, the farmers of the country, were not in a prosperous condition. Surely, under circumstances like that, it is necessary for the Congress to do something for the benefit of so large a part of our population. I trust that the committee, therefore, will report as soon as possible this bill, and report it favorably. I think it would be well to report it without change.

Mr. President, the purpose of this bill is to provide for the control and disposition of the surpluses of agricultural products so as to prevent such surpluses from controlling the prices of all the crops. It also has for its purpose to prevent undue and excessive fluctuations in the markets for such commodities, to minimize waste and speculation, and to further the organization of the producers of such products into cooperative associations. The bill sets up the governmental machinery to carry these various purposes into effect. That it is a workable, feasible, practicable, and constitutional measure I have not the slightest doubt.

Mr. President, the average condition of the average farmer in this country since 1920 has, indeed, been deplorable. This particular season, it is true, prices of farm products have been even measurably adequate. During all this time the prices of nearly everything the farmer had to buy have been continuously and steadily rising. The cost of their labor, of their farming implements, of their transportation, and of their taxes has constantly increased. For the most part their farms, their homes, their stock and cattle, and even their growing crops are mortgaged. This condition is known to everyone. Newspapers publish it. Farmers' magazines aver it. Bankers and business men admit it. Farmers' organizations state it. All politicians and statesmen agree to it. Even President Coolidge declares it and deplors it.

President Coolidge in recent addresses has dwelt upon what he calls the prosperity of this country. He went so far as to say that the only problem is whether this country desires continued prosperity.

Mr. President, it is true that the prosperity of certain classes of our people exists. The net earnings of General Motors, Standard Oil, and United States Steel, for instance, have exceeded anything in the history of industry. The railroads and other transportation companies are more prosperous than they have ever been. The banks are in a better condition than they have ever been before. Public utilities are prosperous. Those who labor in industrial plants, in banks, or for transportation and utility companies are, no doubt, by reason of Federal laws, drawing the biggest wages in their history. So, if President Coolidge had limited his remarks to these businesses favored by Federal laws and to those who work for them, his views as to our prosperous condition would be correct. However, he did admit a fact which is apparent to every individual person in this country—that the farmers were not included in this prosperity.

The farmers comprise 30 per cent of our population, and they are in the worst plight of their history, and any prosperity that does not affect 30 per cent of our people is not a real prosperity and can not last. Inasmuch as agriculture is the basis of the greater portion of our wealth, unless agriculture is in a prosperous condition, it is just a question of time when all must suffer. Prosperity for all classes except the farmers is like a marriage celebration without the bridegroom—a very unsatisfactory and hopeless business.

Mr. President, the energies of our people may be divided into five classes—capital (banking), industry, transportation, labor, and farming. The first four divisions comprise 70 per cent of our population and the last one, agriculture, 30 per cent. The Federal Government has legislated its most beneficent bounties on the first three, namely, capital (banking), industry, and transportation. In the Wilson administration it included labor in the favored classes, and very properly so. But, substantially speaking, the Federal Government has not yet done anything for the farmers.

The entire wealth of this country was estimated by the Federal Trade Commission in 1922 to be three hundred and fifty-three billions of dollars. The farm wealth for that year was estimated to be sixty-three billions of dollars.

That commission later estimated the entire income of this country to be approximately ninety billions. Of this amount, those engaged in agriculture only receive twelve billions, or 12½ per cent of the total.

In other words, 30 per cent of our population—the farmers—have only about 17 per cent of the national wealth and

only 12½ per cent of the national income. According to Government statistics which I have recently examined, it has been found that the average income of the average farmer in America, including all that he uses from the farm, is the pitiful sum of \$730 a year, while the average income for all groups engaged in occupations other than farming is \$1,445, just \$45 less than double the income of the farmers. When you take away from the income what he uses from his own farm, his cash income is but a little more than \$313.

Some assert that this lack of prosperity of the farmer is due to laziness, inefficiency, and lack of attention to his business. An eastern industrialist said to me a while back: "The farmers do not need any legislation. Just as soon as they quit riding around in automobiles and get down to business they will be all right. What they need is more alarm clocks and fewer automobiles." Incidentally, this man, who spoke of farmers riding in automobiles, owned three cars himself. He, of course, did not know what he was talking about. The enormous surplus crops that the farmer produces disproves the statement. It is his very energy, efficiency, and attention to his business that causes the surplus crops. If he were lazier and less efficient, he would produce no surplus, and, accordingly, get higher prices for his products.

I was reared on the farm. I know that in no occupation does a man work harder, longer, under a greater strain to his physical system, or under such trying conditions as does the farmer. He works in all kinds of weather and more hours than those engaged in any other occupation.

That the farmers' troubles are due to Federal legislation favoring all other classes, to whom the farmers must pay tribute, I now propose to show.

Mr. President, we have passed banking laws which provide for an adequate return to those engaged in the banking business and to all those who invest in public-service corporations and for all those who have money to lend. To these, by various Federal laws, we virtually guarantee a reasonable income.

Next, we have built up a protective tariff wall, the highest in history, for those engaged in industry. While this tariff was originally intended to bring revenue for the Government, that purpose is now but incidental. The real purpose of the tariff is to shut out competition with foreign-made goods and to enable those engaged in industry to impose a tax upon the consuming public. It has been estimated that the tariff enables industry to increase its income probably three billions of dollars annually. This tax which industry is permitted to levy upon the rest of the country is paid quite largely by the farmers. It might well be gradually eradicated.

Under the Esch-Cummins law and recent Supreme Court decisions the railroads and other public utilities have been guaranteed not only a fair, but a generous return upon their investments, and even sometimes where they have not made investments.

Under our income tax laws most corporations simply add their taxes to the cost of their productions and the public, which includes the farmers, pay these taxes.

Then through the creation of monopolies and by trade agreements often secretly made without regard to the Sherman antitrust law, industry virtually fixes its own prices and, of course, these prices are always made as high as traffic will bear; and the farmer has to bear his portion of this burden.

These special benefits and grants have all been made by Congress to the favored 70 per cent of our population and have made them very prosperous, while they have impoverished the farmers.

Indeed, not only does the farmer have no beneficial part in this legislation, but he has to pay substantially one-third of these benefits going to other favored classes.

In other words, under present conditions the farmer has to buy everything that he has to buy in a protected market, or in a stabilized market, or in a market in which prices are fixed by agreement, and sell everything he has to sell in the open markets of the world. He is caught coming and going. Speaking generally, he is the only producer in the world who has nothing whatsoever to do in fixing the price of the thing he produces. When any member of the favored classes has anything to sell the purchaser must pay his price. When the farmer has anything to sell he must take what is offered by the purchaser.

So, Mr. President, with all this favoritism to industry and to transportation and to capital and all this unfairness to agriculture, is it any wonder that to-day we find big business fairly rolling in wealth and paying enormous dividends and, on the other hand, we find the farmers in debt and impoverished, their rent and taxes tremendously high, their livestock and farming implements, their farms and their homes mort-

gaged, and in many cases being foreclosed and sold at public outcry?

When an industrial organization finds that its surplus will be too large it closes down a factory, and the result is that there is no surplus. The farmer can not do that. When he starts a crop growing nature alone can stop it, and, if there appears to be a surplus, it falls back on him and destroys him financially. Surely under these circumstances the Government ought to step in and prevent the surplus from controlling the price of the whole crop.

Some of my Democratic friends say that they are opposed to this bill because of the Jeffersonian doctrine of "Equal rights to all and special privileges to none." They say that if we were to pass this bill it would be a special privilege to the farmers and, therefore, contrary to that doctrine. They lose sight of the first part of the slogan, "Equal rights to all." It is apparent from what I have heretofore said that it does not violate that doctrine. In this bill we give no special privileges to the farmer. All we do is to put the farmer on the same economic basis with the other 70 per cent of our population. It is directly in accord with the teachings of Mr. Jefferson. All we do is to give him "equal rights." Not only that, but it is in direct accord with the express provision contained in the last Democratic platform.

To my Democratic friends I say that if there had never been any special privileges granted to other classes, then I admit that the Government ought not to give a special benefit to the farmers, but, inasmuch as the Government has already granted privileges to the 70 per cent, as above set out, I contend that it is in exact line with the Jeffersonian doctrine to grant the same equal rights to the farmers that we have already granted to the other 70 per cent, so as to put all classes of our people on an equality.

Again, some say that we ought to repeal the tariff laws, the transportation laws, the banking laws, and the immigration laws.

Mr. President, we all know that we are not going to do that. When we Democrats get into power, we do not repeal the tariff laws. We simply reduce them on certain articles and apparently there is no intention on the part of anyone to do away with the tariff laws. Nor is it likely that we will repeal the banking laws, or the immigration laws, or any other laws conferring favors upon the favored 70 per cent. Under these circumstances, what is our manifest duty?

Why, Mr. President, the only way that we can carry out the doctrine of Mr. Jefferson is to put the farmer on the same economic basis with the other 70 per cent of our population that are now deriving special benefits from the Government.

Again, it is objected that the bill will not work. Let me give you an illustration of how it will work.

Suppose the McNary-Haugen bill had been in effect in 1926 when the enormous cotton crop, amounting to nearly 20,000,000 bales, was produced. Suppose the commission dealing with cotton under that bill had, after an examination into every fact, found that the average cost of producing cotton that year was 12 cents a pound, that a reasonable profit to the farmer was 3 cents a pound, and that the commission, acting under the bill, had given notice that if cotton went below 15 cents the commission would buy the surplus crop and take it off the market to be sold when cotton went above that price.

Remembering our experience with wheat in 1920 when Congress fixed a minimum price of \$1.50 a bushel, which was never reached, and when the Government did not have to buy any wheat, my judgment is that, if the commission had had to buy even 5,000,000 bales surplus last year, still there would have been no loss this year, because cotton went above 15 cents. So, in the cited case, instead of losing, there would have been a substantial gain for the farmers and the Government, and the farmers would have received a reasonable price for their cotton last year and would thus have avoided a bankrupt condition. It would have meant the difference between prosperity and the lack of prosperity in the cotton-producing business. We all know that there has never been a surplus of cotton carried over a period of three years in our history.

What could have been done for cotton could be done in the case of all staple agricultural products.

Again, it is objected that if the farmers are allowed to stabilize the price of their products, it will cause an increase production. This does not at all follow. The fear of an equalization tax will prevent any abnormal production; but even without this tax there need not be any fear.

The Government subsidizes the steel industry and there is not an overproduction of steel.

The Government through tariff laws and other laws subsidizes the shoe industry, but there is no overproduction of shoes. The copper industry, the iron industry, the public-utilities in-

dustry, and practically every industry are subsidized, and yet there is no overproduction. The price of transportation is absolutely fixed, and instead of there being more railroads the building of railroads has almost ceased.

Again, it is claimed that this bill involves price fixing. And so it does. But we have price fixing in every other industry, so why not permit the farmer to have something to do with fixing his prices?

Of course, no lawyer who ever read the Head Money Cases decided by our Supreme Court believes the bill is unconstitutional.

Mr. President, there is no question of greater importance in this country than the equitable distribution of wealth and income. It is so regarded by the foremost economists from Adam Smith on down. There can be no such thing as prosperity when wealth and income become centralized in one small group or groups of our population. It was claimed by the experts a few years ago that one-tenth of our population owned 90 per cent of the wealth. And this must be substantially true. It is not a good condition. It is a dangerous condition. When the wealth of Rome became centralized in a few landowners, with the rest of the nation serfs and slaves, without property and with scant incomes, Rome fell. When the king, nobility, and priesthood of France, comprising less than a million people, owned three-fifths of the entire land, leaving only two-fifths for the peasantry, comprising 25,000,000 people, we had the French Revolution. And the revolution in Russia was due to the same fundamental cause—the impoverishment of the masses. We must not permit our national wealth to be centralized to so great an extent. We must be fair and just to all classes of our people. If we confer rights upon one class, we must confer them equally upon all classes of our population. If we confer benefits upon one class of our people, we must confer them equally upon all classes of our population. It is the rankest kind of class legislation to confer untold benefits upon 70 per cent of our population and to deny equal benefits to the other 30 per cent, and especially when the other 30 per cent of our population are engaged in the most fundamental of all industries, namely, the production of food and clothing from the ground. We must not legislate in favor of one class at the expense of another.

Under the present conditions the farmer catches the rough end of the equation both ways. He is taxed enormously for the benefit of the other 70 per cent of our population. And when he sells his products he is often forced to sell at less than the cost of production, so that he can not make a living wage. The farmer, being the producer of those things which sustain life, should have the equal protection of the laws.

Mr. President, we want no serfs of any kind, nature, or description in this country. We want every man to be an up-standing citizen, entitled to equal rights and equal benefits under the law. This is what we seek for the farmers of this country. This is what this bill proposes to do. This bill may not be perfect. It may not give the farmer all to which he is entitled. It may not put him on equality with other industries. But it is a step in the right direction.

Agriculture is our basic industry. There are three things without which modern life can not exist—food, clothing, and shelter. Two of these—food and clothing—are produced by the farmer. That this is an important service, none can deny. That it is the most important, many will affirm. If the farmers should suddenly stop work and go on a strike, even for one short season, the wheels of industry would admittedly cease to turn, business of all kinds would stop, and famine, earth's greatest scourge, would stalk across the earth, casting its sinister shadows from coast to coast and carrying death and destruction in its wake, and humanity would perish. Such, my friends, is the great importance of the work done by farmers. Simple justice demands that those performing that work should not be put at a disadvantage by law.

As it is, they are very poorly compensated. The very least we can do is to place them on the same footing, so far as legislation can do it, with the other four economic groups. That is the purpose and object of this bill. I believe it will accomplish that purpose, and so believing, I shall vote for this bill again, as I have voted for it before, earnestly hoping that it will be enacted into law at this session of Congress.

Mr. BRUCE. Mr. President, will the Senator permit me to interrupt him? I want to ask the Senator a question just at this point.

Mr. McKELLAR. I am glad to yield to the Senator from Maryland.

Mr. BRUCE. Does the Senator attribute the adversity of the farmer at the present time entirely to the existence of the exportable surpluses of various crops?



Mr. McKELLAR. I believe that it has more to do with it than any other one factor.

Mr. BRUCE. What are the other causes entering into his adversity?

Mr. McKELLAR. I think that is the principal one.

Mr. BRUCE. Does the Senator think that is the only one?

Mr. McKELLAR. Oh, no. As I said, everything he buys he has to buy in a protected market and everything he sells he has to sell in the open markets of the world, and that, together with the surplus, constitutes the principal reasons for his present condition.

Mr. BRUCE. But the Republican Party has undertaken to protect him by imposing tariff duties on importations of agricultural products.

Mr. McKELLAR. Of course it has; but while it has tried to protect him by taking the tariff off of those things that he uses it has left the tariff on all those things which compose the things that he uses. I do not believe in a high tariff.

Mr. BRUCE. Yes; but he shares those other tariff burdens on his hat and his clothes, and the like, with the rest of us, does he not? We all pay the penalty in that kind of tariff burden.

Mr. McKELLAR. Yes; but he shares it to a greater extent than others.

Mr. BRUCE. But how? I thought there were certain exemptions made in the tariff in favor of the farmer.

Mr. McKELLAR. Oh, yes; there are—for instance, farm implements—but all of the things which compose the farm implements, with which they are manufactured, are taxed, and in that way the farmer has to bear the tariff burden just as before.

Mr. BRUCE. But those duties, of course, are also applicable to other members of the community.

Mr. McKELLAR. Oh, no; they are not. They do not fall on 70 per cent of the people, because they do not use them.

Mr. BRUCE. But import duties do fall on other commodities which are used by the other elements of the community as well as the farmer. Conditions are equalized in that respect. May not these exportable surpluses be brought to an end in a perfectly natural way by economic influences which are at work at the present time?

Mr. McKELLAR. Of course not, for the reason that we have been trying it for seven years, and their condition, with the exception of a little spurt in their favor this year, has been constantly getting worse and worse. The Senator knows that the great majority of the farms of the country to-day are mortgaged, and many of them mortgaged for more than they are worth. The Senator knows that the great lending companies—the insurance companies and other companies in the country lending money on farms—have had to take in at forced sale many of those farms. What is the Senator's idea about what we are going to do when those farms are all bought in at public sale by the companies which have loaned money on them? How are we going to manage our farming business except through them?

Mr. BRUCE. I think the World War brought about a period of extraordinary inflation. The farmers, of course, naturally enough, were influenced by the enhanced prices for agricultural products which they obtained at that time to enlarge their operations, and even to buy more land than they could pay for; and on the strength of the same inflation a vast number of small-scale banks sprang up throughout the country which went to the wall, as might have been expected, as soon as the inevitable period of deflation set in. Then, again, many persons totally ignorant of farming went to farming and helped still further to swell the inflation, so now, as I see it, the farmer is simply suffering from the consequences that always accompany a period of deflation. But the situation is improving; the trend of prices is upward; large numbers of farmers are leaving the city and going to the country, and are there sharing those generous wages which the inhabitants of industrial cities have been receiving.

Mr. McKELLAR. Quite the contrary.

Mr. BRUCE. The situation is taking care of itself.

Mr. McKELLAR. The truth is that all of us know that constantly the farmers have received no benefits from the Federal Government while these other classes have constantly received benefits from the Government; the industrial classes through high tariff laws, the banking classes through law, the transportation companies through law, all for their benefit. That has given tremendous impetus to all other business and largely at the expense of the farmer. That is what is the matter with the farmer to-day. It is not because of his acts; it is not because of his default; it is not because of his shortcomings; but it is be-

cause of Federal legislation. The special benefits from the Government which are now being enjoyed by other classes should be passed to the farmers if they are to have a fair deal.

Even the Senator from Maryland himself admits that the farmers are not prosperous to-day; the whole country knows it is so. Why is it not the duty of the Congress of the United States under those circumstances to look into these matters and to equalize the rates?

#### AFFAIRS IN NICARAGUA

Mr. BINGHAM. Mr. President, a few moments ago the senior Senator from Alabama [Mr. HEFLIN] delivered an attack on the administration and on the conduct of affairs in Nicaragua which it seems to me ought not to pass without a brief answer at this time because it was based on false assumptions and on an incorrect grasp of the situation.

At the present time in Nicaragua our relations with the Conservative Party and with the Liberal Party, the two great parties which have fought for a hundred years for the control of Nicaragua, are so friendly, the administration's conduct of our affairs there has been so ably carried on, and our presence there is welcomed by so many people of both parties that it seems to me most unfortunate that any remarks should be made on this floor showing such a total lack of appreciation of what is actually going on. Such remarks may lead to trouble and to a misunderstanding of our position by our neighbors in Latin America.

It was stated by the Senator from Alabama that he thinks our actions are leading to criticism and ill will in Latin America. Certainly his remarks are inclined to promote just that state of affairs. At some future time I should like to go more fully into what has happened between the United States and Nicaragua since Congress adjourned in March, 1927, but at the present time I only desire to state briefly just what is happening there to-day and to refer to the relations between General Sandino and the Liberal Party and the activities which have just taken place which have called forth this torrent of criticism and several very unfortunate resolutions embodying a number of extremely inaccurate "whereases." These resolutions have been referred to the Foreign Relations Committee and will undoubtedly there be carefully examined.

The rainy season in Nicaragua begins in June or July. During the next six months of the year it is almost impossible for anyone to carry on a military campaign. As Senators know, there are two distinct parts of Nicaragua, the Atlantic seaboard and the Pacific seaboard, and there is very little connection between the two.

On the Pacific seaboard there is a great plain where there is much agriculture, where there are several cities, and where the capital is located. On the eastern seaboard there are mountains and valleys covered with forests where there are no wagon roads and no railroads, but only trails which are barely passable to pack animals in the dry season and practically impassable in the wet season. The rains generally end some time in December, when the country begins to dry up and some of the people then usually go back to their favorite occupation of carrying on political manifestations with bullets instead of ballots. As a matter of fact, at the present time practically all of Nicaragua is in a state of peace with the exception of a small area in the northern part near the boundary of Honduras, in a coffee-growing section, which during a large part of the year is practically inaccessible.

Last April, at the request of the President, Mr. Henry L. Stimson, former Secretary of War and at the present time Governor General of the Philippines, went to Nicaragua to find out the exact state of affairs, to interview the leaders on both sides, and to see whether some working arrangement might not be brought about whereby we could secure that great desideratum of popular government, namely, a fair and open election. It is generally conceded that in the 100 years of Nicaragua's history there has scarcely ever been a fair election. It was extremely to be desired that at the next election every one who wished to do so should be given an opportunity to vote.

The people of Nicaragua are divided into two bitter political factions, the Conservatives and the Liberals. They do not differ very much in principle, as their names would seem to indicate. Those names apply rather to two geographical divisions. The people in one city being "conservative" and in another being "liberal." They have carried their animosity to such an extent that it is practically impossible, or, at any rate, extremely uncomfortable, and has been for many years, for any Conservative to attempt to do business in a Liberal city or for any Liberal to do business in a Conservative city. It reminds one of the situation in the Middle Ages when the independent cities of Italy were so divided by political parties and

carried on such bitter warfare as to make it impossible for the members of one political party to live with the adherents of the opposite political party. It will be seen that Mr. Stimson faced an extremely difficult mission.

It is not necessary at this time to go into the history of how President Diaz became president or why we recognized him, instead of recognizing President Chamorro at one time, or various other people. Mr. Diaz was in power at the time of Mr. Stimson's visit in April. General Moncada, the ablest general in Nicaragua, a Liberal and the active fighting head of the Liberal Party, had a considerable number of troops and a good many generals under his command and was threatening the Conservative section of Nicaragua. After having interviewed many people on both sides of the question, Mr. Stimson succeeded in securing an interview with General Moncada himself, and explained to him the attitude of this Government, which was merely the attitude of friendliness, of a desire to have fair elections carried on, a desire held by both Liberals and Conservatives alike. After several interviews an arrangement was arrived at with Mr. Stimson whereby General Moncada and the generals under him, with the single exception of the young General Sandino, agreed to bring in their arms, to stop fighting, and to accept the good offices of the United States and the word of the United States that it would see to it that the next election to be held in 1928 would be a fair election and that every Nicaraguan could go to the polls and cast his ballot without fear or favor. The Liberals heartily agreed to this, because the Conservatives were in possession of the larger part of the country, and, according to the history of Nicaragua, it would have been impossible for the Liberals to have voted freely unless some such arrangement had been made. Consequently General Moncada persuaded all his generals, with one exception, to accept Mr. Stimson's service.

Then followed an extraordinary series of events. President Diaz, the Conservative, abolished the censorship of the press and permitted General Moncada to publish his statements in the press, a privilege which had been denied him for a long time. He also agreed that the supreme court, which had been altered in an illegal manner during the time when General Chamorro was President—and it will be remembered that we did not recognize General Chamorro as President—should be reconstituted, and, furthermore, by an extremely generous act, President Diaz agreed to accept Mr. Stimson's suggestion that the six or seven Provinces of Nicaragua where the Liberals live and which are Liberal in sentiment and by heredity should be governed by Liberals instead of having Conservative governors who could only rule by force of arms and would always be making trouble.

In the course of the next few weeks President Diaz carried out his promises. Six of General Moncada's Liberal generals were placed in charge of these six Liberal Provinces. Freedom of the press was declared; the supreme court was reorganized; every effort was made to give a fair deal to both sides; and as a matter of fact the great majority of the Liberal Party in Nicaragua to-day, instead of being dissatisfied, as the Senator from Alabama assumes, with the attitude of the United States Government and the present condition of things, welcomes it, and looks forward complacently and eagerly to the next election, when its members will have an opportunity to vote and have their votes counted just as much as the Conservatives.

Mr. NORRIS. Mr. President, may I ask the Senator a question?

The PRESIDING OFFICER (Mr. McNARY in the chair). Does the Senator from Connecticut yield to the Senator from Nebraska?

Mr. BINGHAM. I do.

Mr. NORRIS. If it be true, as the Senator has just stated, that the arrangement made with Mr. Stimson was satisfactory to Diaz and the Conservatives and to a very large majority of the Liberals, and that there are only a few left who are dissatisfied with the Government, why is it necessary for the Government of the United States to maintain its marines down there? If there are only a few people left on one side, and practically all the people are on the other side, why can they not maintain their own Government without our assistance?

Mr. BINGHAM. For the same reason that, although the great majority of people in the city of Washington desire to live in a peaceable and law-abiding manner, it is necessary to maintain several hundred police on the streets.

Mr. KING. But we do not import them.

Mr. NORRIS. Yes; but, according to the Senator's own statement, the Diaz régime, combined with the Liberal régime, have all these policemen and have all the country except a

little bit of a spot, and all the people are with them. They are in the great majority, and here are just a few insignificant fellows; and yet this big majority, with all the offices, with all the arms, with all the weapons, with all the territory, insist that the Government of the United States shall bring its marines down there to keep that big majority in office and keep it from being hurt by these few fellows who are out in the hills and do not have anything.

Mr. BINGHAM. Mr. President, I think the Senator was not present when I attempted to review the bitterness between the two political parties. The Senator, coming from the State that he does, and having lived in a country that has for a hundred years accepted the decisions of the ballot box and whose political parties, though they have had certain bitter fights, have never entered into anything like the bitterness of those countries, is, if he will pardon me for saying so, unable to appreciate the bitterness of these factions and of the strife which would break out if we withdrew our marines.

Mr. NORRIS. Mr. President, will the Senator permit me to interrupt him there again?

Mr. BINGHAM. I should like to finish my brief statement; I yield to the Senator, however.

Mr. NORRIS. The Senator, it seems to me, is rather going back on his own statement. His statement is that after Stimson was there everything was lovely, and, as he said—I think using his own words—the great majority of the Liberals were satisfied.

Mr. BINGHAM. They were satisfied with our occupation, not with the Conservatives; and if we were to withdraw our marines they would immediately proceed to that civil war which has been the curse of Nicaragua for nearly a hundred years.

Mr. NORRIS. Then, it appears that there must have been perhaps a majority that was dissatisfied.

Mr. BINGHAM. Not with our occupation.

Mr. NORRIS. If the great majority was satisfied, I can not understand why it is necessary for us to send our marines down there to supervise an election and keep order. When practically the entire country is in control of the other two factions combined, when they are all agreeable and lovely and satisfied, why should we mix in?

Mr. BINGHAM. But they are not, Mr. President. They are not "lovely and agreeable and satisfied" with each other. They are satisfied with the attitude of our Government and have asked the United States to maintain its forces there in order that they may not cut each other's throats and in order that they may have a peaceable election.

Mr. NORRIS. Then we are in this condition—that the Conservatives, represented by Diaz, the government that we put in power, the government that we made—

Mr. BINGHAM. I hope the Senator will not make a speech in my time.

Mr. NORRIS. All right; I will try not to. It is a little difficult, when I have the example of the wonderful speech the Senator is making, not to try to follow his leadership; but when everything is in control now of Diaz and Moncada, who are both united in the same proposition—

Mr. BINGHAM. I did not say they were united.

Mr. NORRIS. Oh, yes.

Mr. BINGHAM. No, Mr. President; the Senator misunderstood me. I said that they had both asked the United States to have its marines stay there to see that they had a fair election.

Mr. NORRIS. All right; let us put it that way. We have this condition of affairs, then: Diaz, representing the Conservatives; Moncada, representing the great majority of the Liberals, united that we shall stay there and supervise their election.

Mr. BINGHAM. That is what they have asked.

Mr. NORRIS. That is what they have asked. Let us take that as a foundation to start with—

Mr. BINGHAM. Mr. President, this sounds to me very like the beginning of a new speech, and I desire to get through my remarks in a very few minutes.

Mr. NORRIS. No; it is not going to be a speech. I am going to ask a question. Just take the statement that the Senator has made. These two factions have united, and they say to us, "Now, we are all united. We want a fair election, but we want you to keep your Army down here to see that we get it." Why should we not say, "If you are all agreeable, and there is nobody but Sandino and a few bandits over here in the hills, it does not make any difference whether they vote or not; attend to your own elections, and let the marines go home?"

Mr. BINGHAM. Has the Senator concluded?

Mr. NORRIS. Yes; that is my question.



Mr. BINGHAM. I am endeavoring to answer that by the speech which I am trying to make.

General Moncada, the leader of the Liberals, and the ablest general down there, who had been carrying on the war on behalf of Mr. Sacasa, who was on the Atlantic shore, was completely satisfied with the proposals made by Mr. Stimson, agreed to them, and endeavored to get all his generals to agree to them; and they all at one time did agree. General Moncada himself has made a statement in regard to the Sandino incident. There has been a great deal of misunderstanding with regard to this young bandit, who, in his early twenties, is enjoying the rôle of fighting up and down the little valleys in the north central part of Nicaragua, ravishing the coffee plantations, stealing the coffee of the planters, taking it across the boundary to sell it at low prices to the merchants of Honduras, and thereby getting money with which to carry on his depredations. He was once with General Moncada. Mr. Stimson, in a volume entitled "American Policy in Nicaragua," says:

In contrast with the sensational statements of some of our own press, the following public statement issued by General Moncada after the affair at Ocotal fairly describes the Sandino incident:

Existing on money from both natives and foreigners and merchants at Jinotega, as he had done before under threats of pillage and bloody reprisal, he—Sandino—interned in the mountains, took foreigners in the army and dedicated his time to murdering his enemies, both Conservatives and Liberals. He proved extremely cruel to prisoners, to whom life was never pardoned. I will not approve such a kind of war. I will never accept it. \* \* \*

In order to defend the cities of Jinotega, Estel, and Ocotal, the American command sent marines and soldiers of the Nicaraguan National Guard. Eighty-seven men of these mixed forces existed at Ocotal when it was attacked by Sandino and an overwhelming force. Sandino threw himself against them with all his army. The defenders resisted heroically for 16 hours. \* \* \*

Sandino suffered great losses, exceeding 400 men. This, of course, has not been murder. There was an armed conflict in a legitimate defense. We Liberals are greatly sorry for the death of our brothers, but it is our duty to deny all contact with mercenaries, censuring such a war lacking in ideals. In Nicaragua the Liberals greatly desire peace and are confident of the word of the President of the United States given to us through his personal representative, Mr. Stimson. All the other Liberal chiefs except Sandino complied with their duty.

There, Mr. President, we have a statement from the active head of the Liberal Party, and one of the ablest liberals in Nicaragua, stating exactly the position of this bandit Sandino. Sandino has been elevated by a few misinformed people who are more desirous of making trouble for the United States than peace for Nicaragua, into being a great national hero struggling against the Conservative Party. As a matter of fact, Sandino is a bandit, an outlaw from his own party, who has been unfaithful to the word which he gave his leader, General Moncada. Because it is more profitably to do so, he has withdrawn into the fastnesses of northern Nicaragua and there attempted to carry out the usual work of banditry. It has been necessary for the Nicaraguan constabulary—a recently organized group of police, trained at the request of the Nicaraguans by the Marine Corps—to go into the mountains and attempt to stamp out this banditry and this nest from which trouble is coming. The larger part of the troops involved are the constabulary of Nicaragua, this newly organized body which we are attempting to train so as to guarantee a fair election at the polls. A few of them, their teachers, have been the marines.

Mr. McKELLAR. Mr. President—

The PRESIDING OFFICER. Does the Senator from Connecticut yield to the Senator from Tennessee?

Mr. BINGHAM. I yield.

Mr. McKELLAR. Assuming that all the Senator has said is absolutely within the facts—and I take it he knows something about the situation—what justification arises in the Senator's mind for our Government to go into the country of another government and interfere in its internal affairs in the way the Senator has pointed out? Is it the Senator's idea that it is one of the duties and powers of the American Government to send its troops all around the world to any nation that may happen to have internal dissensions and undertake to settle those dissensions in that other country?

I should like to have the Senator say what is his justification for our country going down and interfering in the internal affairs of Nicaragua.

Mr. BINGHAM. Mr. President, in answer to the Senator's question as to whether I should like to have the United States go into all parts of the world to maintain peace, my answer is "no." On the other hand, we have certain very definite inter-

ests in the Caribbean Sea, to wit, the Panama Canal. The Panama Canal is a vital feature of our national defense. We spent over \$400,000,000 in digging the Panama Canal as a defense measure. We are deeply interested in maintaining that part of our national defense.

The countries near the Panama Canal have a peculiar interest to us in connection with our isthmian policy, or that part of the Monroe doctrine which we must maintain for our own safety and for our own defense. We can not permit European countries to go in and establish themselves in these Caribbean countries, which would threaten the Panama Canal and our connections there. When revolutions arise, when it becomes impossible to protect life and property, it is the custom of all nations to intervene by sending their marines—which is not an act of war, but is an act recognized under international law—to see to it that their nationals are protected.

This kind of operation has in the past sometimes led to permanent occupation, not by the United States but by other countries. I may say in passing that in regard to Nicaragua we have received complaints from three or four European countries stating that if we did not go down there they would have to go there themselves. To aid the Nicaraguans to peace becomes a part of our national defense, a part of our isthmian policy, a part of our maintenance of the Monroe doctrine. We must either "put up or shut up." We have either to get out and let the other countries go in and protect their nationals or we have to do it ourselves. It seems to me that is part of our duty, and so long as it is done as wisely and patiently as this administration has carried it out, as the last administration carried it out, as the administration before that, the Democratic administration, carried it out in various Caribbean countries, it seems to me it has been well done.

Mr. NORRIS. Mr. President, will the Senator yield there?

Mr. BINGHAM. Certainly.

Mr. NORRIS. I am very much interested in what the Senator has said about the protection of the Panama Canal, and I am reminded of something to which I want to call his attention, when he speaks about the necessity of our protecting that canal, and says that is the one reason why we should intercede in Nicaragua to supervise their elections. The Senator probably noticed in one of the morning papers, as I did, that some fellow down in Panama, right in sight of the Panama Canal, has written and implored the Secretary of State, Mr. Kellogg, to send marines to Panama to supervise the election that is going to take place there. Should we do that?

Mr. BINGHAM. That is a question for the President to decide.

Mr. NORRIS. Of course, it is a little embarrassing, probably, for the Senator to take a position on that until he knows what the administration is going to do about it. But if the Senator—

Mr. BINGHAM. That is a very sage remark, Mr. President, but whether he likes or not the Constitution of the United States gives to the President the duty of recognizing the countries which are to be recognized, and does not give that duty to the Senate.

Mr. NORRIS. But the Senator has taken a position justifying our action in Nicaragua, and given as a reason that we want to protect the Panama Canal. If we are going to supervise an election away up in Nicaragua in order to protect the Panama Canal, how much more reasonable is it that we should supervise an election right down there in the vicinity of the canal, and why should we not, if that is our policy, supervise the election, and what excuse can we give to the country and to the world for the answer of our Secretary of State, who has answered that request by stating that we decline to go into Panama to supervise their election?

Mr. BINGHAM. Mr. President, the Senator probably is sufficiently familiar with the history of Panama to realize that there is no such bitter animosity between the parties in the Republic of Panama as there is in the Republic of Nicaragua.

Mr. NORRIS. Who is going to decide how much bitterness there must be between political parties before we intercede?

Mr. BINGHAM. Very fortunately, the Constitution does not say that that question must be decided by the Senate of the United States.

Mr. NORRIS. Does the President have that to decide? If he does, I want to call the attention of the Senator and, through him, of the President and the Secretary of State to the fact that there is some very bitter feeling in Ireland; that there is terrible strife in Ireland, and the excitement is extremely bitter. They fight over there, too. They have their shillies all trained, and they are ready, and why should we not go to Ireland and supervise their election?

Mr. BINGHAM. I hope the Senator will tell us, before he gets through, how far Ireland is from the Panama Canal.

Mr. NORRIS. It is just a little bit farther than Nicaragua, and Nicaragua is a great deal farther than Panama. Are you going to stop at Panama? Why should we not protect the Panama Canal even in Ireland as well as in Nicaragua?

Mr. BINGHAM. I hope the Senator does not consider Ireland to be one of the Caribbean countries.

Mr. NORRIS. I have not said so.

Mr. BINGHAM. The Senator implied that.

Mr. NORRIS. No; I have not said so.

#### AGRICULTURAL RELIEF

Mr. BRUCE. Mr. President, the Senator from Tennessee [Mr. McKellar] is very wrong if he thinks that I am not in sympathy with the farmer. There is every reason why I should be in sympathy with him. To begin with, I am the son of a farmer, a man whose exclusive occupation was that of a farmer for some 50 years of his life, and I myself have been engaged to no limited extent in the business of farming. There is no one in this country who exceeds me in the measure of respect and admiration that I feel for the farmer in many respects.

I think that the farmer is the backbone of all that is best in our American life. Mr. Jefferson said years ago that he is the most virtuous and patriotic member of American society. I share that view. In my opinion, a greater misfortune could not possibly befall this country than for the position of the farmer to remain one of permanent and irremediable distress. There can be no lasting prosperity for anybody unless he is prosperous, and with my conservative nature, that does not lend itself readily to extremist or radical views of any sort, how could I have any but the strongest feeling of political fellowship in every respect with him? No matter what revolutionary shocks this country may be called upon to endure, I believe we shall always be able to survive them, and mainly because of the conservatism, the strength of character, and the sterling qualities of the American farmer.

However, it is not true that nothing has been done for the farmer. In point of fact, Congress is quicker to respond to his demands than to those of any other individual who is a part of our body politic. The best friend I could have in the world is some one who could tell me at this time just what really can be done by human agencies, by legislative authority, to improve the condition of the farmer.

I have read practically every leading publication that has issued from the press in relation to the farmer since I have been a Member of this body. I have been in correspondence with members of granges and farmers' associations. I have purchased supplies for my table from a farmers' cooperative marketing association. I am eager to the very last degree to have pointed out to me some practical means by which the present adverse condition of the farmer may be bettered.

As I have said, it is not true that nothing has been done by Congress for the farmer. Much has been done since I have been here. Has the Senator from Tennessee forgotten that only a year or so ago, through the operation of the Hoch-Smith Act, we placed the Interstate Commerce Commission in a position deliberately to discriminate as regards railroad rates in favor of the farmer?

Mr. WHEELER. They have not done it, though.

Mr. BRUCE. They should do it.

Mr. McKellar. But they have not.

Mr. BRUCE. They have not?

Mr. McKellar. No.

Mr. BRUCE. Then go to the White House and ask the President, the next time he makes an appointment to the Interstate Commerce Commission, to appoint some one who will help to carry out the letter and the spirit of that law.

Mr. McKellar. But the President has already expressed his views about it.

Mr. BRUCE. Then change your President.

Mr. WHEELER. Some of us would like to do that.

Mr. BRUCE. As a Democrat I hope we shall, though I say this with great respect to the present incumbent, for whom I have a high degree of regard in not a few particulars.

Mr. WHEELER. I would like to call the Senator's attention to the fact that wheat in Canada was bringing approximately 21 cents more just across the American border than it was in the United States, at a point just a few miles away, and that was notwithstanding the fact that we had a tariff of something like 30 cents.

Mr. BRUCE. Forty cents.

Mr. McKellar. Forty-two cents.

Mr. BRUCE. Forty-two cents, to be exact.

Mr. WHEELER. The increase was partly due to the fact that the Canadian railroads give a cheaper rate to the wheat farmers of Canada than to the American farmers.

Mr. BRUCE. Yes.

Mr. WHEELER. I cite that to the Senator for the purpose of showing him—

Mr. BRUCE. I am glad to have that called to my attention. That is but an administrative shortcoming which ought to be readily corrigible.

Mr. WHEELER. It ought to be.

Mr. BRUCE. It ought to be.

Mr. WHEELER. But just as long as the present administration is in power, it never will be.

Mr. BRUCE. That may be. All I have to say is that I never in my life united more cheerfully in the passage of any legislation than I did in the passage of the Hoch-Smith measure. I said to myself "Here at last is something workable. Here at last is something that will really benefit the farmer without doing injury to the rest of the community." I cast my vote for that measure. Mind you, at the same time I was conscious of the fact that, after all, the adversity of the farmer was by no means referable exclusively to high transportation rates, because only a short time before, notwithstanding all that had been said in Congress about the bearing of oppressive railroad rates on the farmer, Mr. Daniel Willard, the president of the Baltimore & Ohio Railroad, had gone on the stand before the Senate Interstate Commerce Committee and testified that if all the net profits that the railroads of his country had derived from the transportation of agricultural produce the year before were divided up between the wheat and corn growers alone of this country the division would signify an increase of only 4 cents a bushel to them.

Mr. WHEELER. Mr. President, if the Senator will yield—

Mr. BRUCE. I yield.

Mr. WHEELER. The figures that were given to me in Montana by some of the millmen who understand the situation show that the differential amounts to 10 cents on wheat as between the American farmer and Canadian farmer due to railroad rates.

Mr. BRUCE. If that is correct, I will gladly at any time go with the Senator from Montana to the Interstate Commerce Commission and ask them to redress, through the agency of the Hoch-Smith law, any inequality that exists between the situation of the farmer in this country and that of the Canadian farmer, if it can be redressed.

Mr. COPELAND. Mr. President, will the Senator yield at that point?

Mr. BRUCE. Certainly.

Mr. COPELAND. I happen to have the figures before me, as I have had occasion to look them up. The cost of carrying wheat from Saskatchewan to the lakehead is 26 cents a bushel. The cost of carrying it from Montana to the lakehead is 44 cents.

Mr. BRUCE. I suppose one reason is that the Canadian railroads, or some of them, are run by the Canadian Government, which to a certain degree conducts them without regard to pecuniary deficits. In other words, Government railways in Canada probably carry the wheat of the Canadian farmer at a loss—that is my surmise about it—and they do that deliberately as a matter of sound public policy.

Mr. WHEELER. The Senator can readily understand that the American farmers living in the Northwest can not possibly compete with the Canadian farmers when that situation exists.

Mr. BRUCE. That is true. I am with the Senator from Montana; I am with the farmer, as I always am when any sound appeal is made on this floor to my support. I have given a striking illustration of what, through the Hoch-Smith measure, Congress is disposed to do for the farmer.

What else has it done since I have been here? Was it not only last year that with my approval Congress appropriated the sum of \$10,000,000 to arrest the progress of the corn borer? Was it not only last year that Congress with my approval took the very extreme step—I think any Member of the Senate will say it was an extreme step—of appropriating a large sum of money for the purpose of supplying the farmers in the drought-stricken areas of the Northwest with seed? That was a measure that almost trenchanted upon the province of purely socialistic legislation; yet Congress was prepared to enact it.

Mr. WHEELER. We did the same thing with the railroads. After the war we deliberately took out of the Treasury of the United States and gave to the railroads large sums of money.

Mr. BRUCE. But we did not do that out of love for the railroads.

Mr. WHEELER. I am not so sure about that.



Mr. BRUCE. We did it out of considerations affecting the welfare of the public generally, including the farmer.

Mr. WHEELER. I do not agree with the Senator at all that we did it for the benefit of the farmer. I do not agree that we took any money out of the Treasury of the United States and gave it to the railroads for the benefit of the farmers, for the fact remains that it never did the farmer one single bit of good. The railroads have never reduced rates to the farmer in the slightest degree since that time.

Mr. BRUCE. The Senator knows that through the splendid management of our railroad systems, in spite of the harm done to them by Government administration during the World War, railroad rates have been inflated to a less degree than almost anything else in the whole economic field in this country. When general costs of living had gone up some 75 per cent, railroad rates had gone up only some 52 per cent. There could not be a finer illustration of the high degree of economy and efficiency with which the railroads of this country are operated.

Mr. KING. Mr. President, will the Senator yield?

Mr. BRUCE. Certainly.

Mr. KING. I think the statement of the Senator from Montana [Mr. WHEELER] needs a little modification. I remember that the Esch-Cummins bill had provisions which did not meet my approval, and consequently I voted against it. I believed, however, that the Government should make a just settlement with the railroad companies. From what I heard I believed that the payments made to some companies were improvident. During the period the railroads were in the possession of the United States, after being taken over during the war, they suffered some damage and deterioration. Perhaps that is not true of all the railroads. It was proper that the Government should reimburse the railroads for any damages which had been occasioned to them by the Government. We took private property during the war, but compensated the owners for the losses which they sustained.

When we took over the railroad properties the same obligation rested upon the Government to compensate the owners for any injuries or damages to the same. I repeat, that by the operation of the railroads by the Government during the war and for some period thereafter, undoubtedly there was physical injury to some properties, and what we sought to do was to compensate the railroads for the damages which the carriers had sustained by the action of the Government.

Senators will also remember that the financial requirements of the Government were such that it embargoed the money market, so that railroad companies were unable to borrow money required to keep their railroad systems in proper shape. That was an injury to the railroad companies. It was inevitable of course by reason of the war; but all that we sought to do by congressional legislation was to put the railroads as nearly as we could in the same condition they would have been in except for the intervention of the Government. It was not the purpose of Congress to give to the railroads a single dollar, but only to make them whole for any losses sustained by reason of the action of the Government in taking over the railroads. If the settlement was improvident and the railroad companies received greater consideration than was due them, I think it was a mistake in judgment of those intrusted with the responsibility of making the settlements. I never understood that the Government intended that the railroads should receive any gratuity.

Mr. BRUCE. I thank the Senator most cordially for his timely and apposite interruption.

Mr. WHEELER. Mr. President, if the Senator will pardon me again just a moment—

Mr. BRUCE. I yield to the Senator from Montana.

Mr. WHEELER. I would say that I agree with the Senator from Utah [Mr. KING] to this extent, that the railroads ought to have been paid for any damage done to them; but I submit that any fair-minded man who made a survey of the situation would have found that the Director General left many of the railroads in much better shape than they were in when they were taken over. I think the Congress of the United States took decidedly hasty action when it appropriated money to the railroads for some claims they made.

Mr. BRUCE. I think, as far as the region in which I live is concerned, that what the Senator said is certainly not correct. During the World War I happened to live on the Northern Central Railroad, which down to the time the Government took it over was one of the most splendidly managed properties in the country. The disorganization and demoralization which resulted from Government operation of that road was too lamentable for words. Finally it reached such a point that at times I saw what I had never before seen in the course of the 25 or

30 years that I had lived on it. I would see a train approach my station and be so inefficiently handled that when it stopped the last car in the train would be two or three hundred feet beyond the station platform.

Mr. WHEELER. I do not know anything about the particular station at which the Senator lived.

Mr. BRUCE. I can not go further into that matter because it is a purely collateral one.

But after all, as the Senator from Utah [Mr. KING] might have added, the real object of the Government in making those railroad appropriations was that of an ordinary tenant who before he leaves rented premises puts them in the original condition of repair in which they were when he took possession. The Government had the sense to know that until that great machine was refashioned, until the transportation service of the country was in as good a plight as it was when the Government took it over, all our material and economic interests of every kind, including our agricultural interests, would necessarily suffer, and therefore we spent that money.

Mr. WHEELER. Mr. President, will the Senator yield to me again at that point?

Mr. BRUCE. Certainly.

Mr. WHEELER. That is the point I am making exactly. The United States Government went out during the war and urged every farmer in the United States to borrow more money to plant more wheat and to plant more wheat, until he went into debt clear over his head. Immediately afterwards the deflation came and the Federal reserve bank insisted that those loans be called. The result was that the farmers were deflated all over the country and went broke. The Government of the United States never came to their rescue, and said to them, "We are going to put you in the same position you were in before the war." They never have been put in that same position since the war, although the Government of the United States tried to put every other business in the country in the same position it was in previous to the war, except the farmer, and he has not been put there yet. The Congress of the United States has let him go on and go broke and suffer.

Mr. BRUCE. The inflation was so tremendous as regards land operations and land values throughout the country that the economic consequences could not possibly be taken care of by any ordinary administrative or legislative agency.

Mr. WHEELER. I will admit that it is a difficult thing, but the complaint the farmer makes is that the Government did that for the silver mines and the manganese mines and the railroads and innumerable other kinds of industry, but the poor devil of a farmer out on the farm has suffered because of the fact that he did not have the influence down at Washington that others seemed to have.

Mr. BRUCE. The silver mines have always gotten more out of the country than they have put back into it.

Mr. WHEELER. I do not agree with the Senator about that, of course.

Mr. BRUCE. Especially when the Senator from Montana was addressing himself to the task of inducing Congress to adopt the ratio of 16 to 1 as respects silver and gold, which, too, at one time was supposed to be a panacea for all the misfortunes of the farmer.

Mr. WHEELER. I think that was one time when the Senator from Maryland bolted the Democratic ticket.

Mr. BRUCE. That is the only time in my life when I did.

Mr. WHEELER. I did once; so we are even.

Mr. BRUCE. The thing in my political life of which I am proudest is that I refused to support Mr. Bryan when he was first a candidate for the Presidency of the United States, though I voted for every other Democratic candidate in my time from Winfield S. Hancock down, and even voted for Mr. Bryan twice after he abandoned his free-silver platform.

Then another thing the Senator should recollect is that even before I happened to be a Member of this body Congress was so liberal as to place the farmer entirely outside of the scope of the Sherman antitrust law. So in many respects—I might multiply my illustrations still more—Congress has been astute to put the farmer on a favored footing.

Mr. WHEELER. The Senator does not think for one moment that the farmers of the country have ever been well enough organized to violate the Sherman antitrust law, does he?

Mr. BRUCE. The farmer has less disposition to violate the law than any other member of the American body politic. That is because, as Jefferson truly said, he is the most virtuous and patriotic individual in our country.

Among the complaints of the Senator from Tennessee [Mr. McKELLAR] is the complaint that the farmer pays such high taxes. That complaint is not applicable to the Federal income

tax, because the farmer pays relatively only a small part of that tax. The Senator must have had in mind local taxes. Within whose political control, may I ask him, are such taxes in farming regions? Why, mainly, of course, the farmer. If taxes are higher than they should be in counties and other municipal subdivisions of rural communities, then the farmer should gird up his loins and bring them down, because he is in a better position, politically speaking, to do it than any other American citizen.

Mr. COPELAND. Mr. President, will the Senator yield?

Mr. BRUCE. Certainly.

Mr. COPELAND. I am sure the Senator has in mind the fact that the farmer to-day pays probably twice or three times as much as before for everything he buys in the way of implements and everything he buys in the way of supplies, and he does pay, as has been stated here, probably three times as much in taxes, but he does not earn any more to-day than he ever did. The Senator is well aware of that.

Mr. BRUCE. His gross income is larger, but his net income is not.

Mr. COPELAND. No; his gross income is no larger. The price he gets to-day for his products is low, and his land is not capable of raising as much in the way of crops as it did 25 years ago.

Mr. BRUCE. If that is so, it is largely due to agricultural depletion, and after all the farmer must bear the brunt of responsibility for that.

But so far as the tariff is concerned the Senator is mistaken. The Senator from Arkansas [Mr. ROBINSON] will correct me if I am in error, but my impression is that under the present law there is no import duty on agricultural implements imported into this country.

Mr. COPELAND. I am well aware of that; but, nevertheless, because of the increased cost of manufacturing those implements, the cost to the farmer to-day is two or three times as much as it was 20 years ago; not because of the tariff in that instance.

Mr. BRUCE. But agricultural implements can be brought into this country free. There is no import duty, as I understand it, on agricultural implements.

Mr. WATSON. Mr. President—

Mr. BRUCE. I yield to the Senator from Indiana.

Mr. WATSON. Of course, if we had free trade these agricultural implements would still be free, and there is nothing freer than free, and they are free now.

Mr. BRUCE. As the colored people used to suggest, there is such a thing as being "free until you are fool."

Mr. ROBINSON of Arkansas. There are a great many commodities that are consumed that are highly taxed.

Mr. BRUCE. So far as general Government import taxes are concerned, the Senator from New York [Mr. COPELAND] is aware that all of us share those with the farmer. The farmer does not pay any more taxes on his boots or his shoes or his hat or any of the commodities that he uses along with myself than do I or does the Senator from New York.

Mr. COPELAND. If the Senator will yield to me for a moment, without arguing now as to why it is so that these prices are high, the fact remains that we have an economic situation where the farmer must pay two or three times as much for everything he buys to-day as he did 20 years ago; and has, if anything, less income to-day than he then had.

Mr. BRUCE. The farmer has more gross income at the present time and less net income, because agricultural products are, of course, bringing higher prices absolutely than they have done for some time past.

Mr. COPELAND. They are not very much higher, I think.

Mr. BRUCE. But as to his net income, the profit made by him is not equal to that of the other members of the American community, because he can not make up on what he sells what he loses on what he buys. That is undoubtedly true, and it is in that that his hardship consists. Now, how is that hardship to be corrected? For God's sake, will not some Member of the Senate tell me how?

Mr. FRAZIER. By the passage of the McNary-Haugen bill.

Mr. BRUCE. The Senator from North Dakota says by the enactment of the McNary-Haugen bill, and he believes that to be so. He may be right and I may be wrong, but I can not see that at all.

In the first place, the Senator from Tennessee is mistaken when he brushes aside the constitutional objections to the McNary-Haugen bill in the cavalier way that he does, because the fact will be recalled that some four or five—I will not undertake to enumerate them all—of the very ablest lawyers in this body—the former Senator from Wisconsin, Mr. Lenroot, who is certainly a very able lawyer; the Senator from Mon-

tana [Mr. WALSH], who certainly answers that description, and the Senator from Idaho [Mr. BORAH], who certainly answers that description, and others, all expressed the opinion when the McNary-Haugen bill was under discussion here at the last session of Congress that it was an unconstitutional measure; because the equalization fee provided for it was an unconstitutional, nugatory, and void thing. I—following, of course, at a long interval—do not hesitate for a moment to say that that is my opinion also as a lawyer.

Mr. WHEELER. But all of them voted for the child labor amendment, which was declared unconstitutional, too, did they not?

Mr. BRUCE. I did not do so.

Mr. WHEELER. But I say that all the gentlemen whom you have mentioned did so.

Mr. BRUCE. I feel that my democracy, to say nothing more, would have to carry an indelible reproach to the end of its existence if I had voted for the child labor amendment to the Federal Constitution. Nothing could possibly be plainer to my obscure vision than the fact that any law that attempts, as the McNary-Haugen bill does, to say to the farmer, willing or unwilling, "You shall pay an equalization fee out of every bushel of wheat or out of every bushel of corn or out of every unit of any sort that you sell" is unconstitutional and void. How could there be any difference of opinion on that point? Has the Federal Government, has any State government the power to say to me, assuming that I am a trader or a farmer, "When you sell something you must make a contribution to an equalization fund for the general benefit of your calling, whether you desire to do so or not"? That would be the very essence of arbitrary, tyrannical legislation, and it would violate every constitutional principle upon which the rights of the American citizen are founded. It would plainly be a taking of property without due process of law; it would plainly be an unconstitutional infringement on the private right of contract.

Mr. WHEELER. Congress took the saloon property, did it not, and took the breweries?

Mr. BRUCE. Yes; and it was always held that the granting of the saloon privilege was a mere license; it was always held by the courts that it was revocable at any time.

Mr. WHEELER. But the Government has taken property in many other ways.

Mr. BRUCE. I am glad it did take the saloon license away, antiprohibitionist as I am; but, of course, the Senator knows that what I have stated has been held over and over again by the courts.

Mr. WATSON. Does the Senator believe there is any legislative way by which the farmer may be helped?

Mr. BRUCE. That is what I was coming to. My constitutional objections to the McNary-Haugen bill as a lawyer are absolutely insuperable, and, then, I do not believe that it would produce the practical consequences which its sponsors think it would produce. I think, first of all, that it would give a tremendous stimulus—assuming that the equalization fee plan worked—to agricultural production. In other words, the act would result in very much the same kind of agricultural inflation that followed the economic consequences of the World War; and our last estate would be worse than our first.

Even if that could be overlooked, one of the very first consequences of the act, if it were workable, would be to make conditions of living to every man in the United States that much harder. Every one of us eats bread, for instance. Of course, the economic effect of the McNary-Haugen bill, if it proved workable, would be to make a loaf of bread dearer to every inhabitant of the United States than it was before.

Mr. WHEELER. If the Senator from Maryland will yield—

Mr. BRUCE. I yield.

Mr. WHEELER. Of course, the policy that the Senator from Maryland outlined awhile ago, that is, that the farmers should leave the farms and go to the industrial centers, would again raise the price of foodstuffs to the consumer.

Mr. BRUCE. I will come to that. That is a most timely suggestion, because I do not want to preach a gospel of despair, least of all in connection with the farmer.

Is there any sort of legislation that will answer the purposes? Well, I think an out and out subsidy would grant temporary relief. Of course, I am afraid that like every artificial stimulus the stimulus of the subsidy would lead to the headache and other bad consequences of "the next morning." For instance, I considered very carefully the debenture plan suggested by the grange which, of course, is a splendid association of farmers. That provides for nothing less than a subsidy; that is to say, for the receipt by the export farmer of a certain



percentage of import duties collected by the Government. That is unquestionably a subsidy pure and simple. And so as to every other suggestion that has been made here. They are in the nature, it seems to me, of mere subventions, mere subsidies, mere artificial governmental aids of one sort or other. So I can not see—I wish I could see—anything to fall back upon at all at the present time apart from some conservative forms of governmental assistance, except the working of natural economic laws; which laws are in operation. As I have said, there is the drift from the country to the city—but there is nothing so terrible about that, for the drift will be back to the country as soon as conditions there improve.

Mr. WHEELER. But the drift to the city will raise the price of wheat, the price of bread, which is the thing we are all talking about, and, of course—

Mr. BRUCE. I do not object to the price of bread being enhanced if it is enhanced through natural agencies and in a perfectly normal, natural, and legitimate manner.

Mr. WHEELER. But the claim is made against the McNary-Haugen bill by those who are opposing it that it is immediately going to raise the prices of all foodstuffs to the people. I wish to point out, however, that if the farmer does not get better prices and is to be compelled to leave the farm and to go into the industrial centers looking for work the effect will not only be to raise the price of foodstuffs but likewise to increase the bread lines which now exist in the city of Chicago.

Mr. BRUCE. The increase in the price of foodstuffs would keep pace with the increase in wages which the inhabitants of cities enjoy, and the people who moved from the farm to the city if they received the higher city wages would be in just that much better position to pay the farmer that they left behind good prices for his breadstuffs.

Mr. WHEELER. But the industries of the country to-day in many places are overcrowded, and there are bread lines in Chicago at the present time.

Mr. BRUCE. I do not know that the industries are overcrowded; and certainly we have no bread lines in the section of the country where I live.

Mr. WHEELER. I say there are bread lines in Chicago, and if the Senator does not think there are bread lines any place else let him go to New England.

Mr. BRUCE. Of course, there is going to be some unemployment; there is going to be some abatement in the extraordinary degree of industrial prosperity which we have enjoyed. Why is it? It is because the manufacturing industry of the country has caught up with the slack of the World War; that is all. When the World War came a vast amount of domestic constructive work had to fall into abeyance and had to be caught up by intensified industrial activity; but now industrial activity has caught it up and we have returned to normal conditions.

Mr. WHEELER. The present industrial condition is due also to the high tariff wall which we have built up around the Nation and which has restricted our world market.

Mr. BRUCE. At the same time that tariff wall is not so high that the volume of our import collections has not increased enormously. Inordinate as it may be pronounced by some of us to be, somehow the tariff has at least worked remarkably well in producing revenue for the country.

Mr. WHEELER. I think if the Senator will analyze the sources from which it is raised and how it is raised he may reach quite a different conclusion.

Mr. BRUCE. The Senator is not more opposed than I am to inordinately high tariff duties. I wish the whole subject might be placed in the hands of some tariff commission, clothed with such a measure of dignity and occupying such a position of aloofness as to discharge some of the same useful functions that are discharged by the Interstate Commerce Commission; but the Senator from Montana, I know, would not like that standard of comparison at all.

So, Mr. President, I do not see anything to do except to wait.

Mr. COPELAND. Mr. President—

Mr. BRUCE. Just a moment and then I will yield to the Senator. Natural causes are at work correcting the agricultural situation. On the whole the trend of agricultural prices has been upward now for some years back; on the whole the farmer is getting more and more for his products, and, of course, that tendency is going to be stimulated all the time by this very influx of farmers from the country to the city which has been deprecated in some quarters, although I think unwisely deprecated. The whole theory of the sponsors of the McNary-Haugen bill is based on the idea that the present agricultural adversity is due to exportable surpluses; that is all; no other theory underlies that bill. What difference can it make to the farmer whether these exportable surpluses are

terminated by natural economic causes or by artificial legislation?

Mr. WHEELER. I do not agree entirely with the Senator's premise. I think it is for the purpose of curing the evil, not by trying to industrialize this Nation, but by trying to keep the farmers upon the farm and to give them a living wage; because I submit it is not only an economic problem but it is a moral problem as well which this country has got to face if we drive our farmers all into the industrial classes.

Mr. BRUCE. We can not drive them all into them; we will drive just enough to bring about an enhancement of the prices that the farmer receives for his products, which is the very object Senators have in view.

Mr. WHEELER. We will drive them to the cities and make industrialists out of them, and it is a difficult thing now to keep the farmers upon the farm, even when they are making money.

Mr. BRUCE. The Senator knows that the greater our cities are and the more numerous their populations are the wider is the market for the farmer.

Mr. COPELAND. It works the other way also. Let me suggest another phase. If the farmer can not buy in the industrial sections, we are going to have trouble. The Senator and I come from great cities where there are great manufacturing plants, but, as we do not consume the things made there, there can be no prosperity in our cities unless there is prosperity on the farm. I wonder if the Senator is aware of the fact that, taking manufactured steel, for instance, over half of the steel manufactured in the United States is used on the farm. It is amazing that over half of the steel manufactured in the United States goes into fence wire, plowshares, hammers, chains, and other things that are used on the farm.

Mr. BRUCE. And more than 30 per cent of the population of the country is on the farm.

Mr. COPELAND. More than half of the steel produced in the United States is used on the farm, and unless the farmer has buying power in the city we are going to have distress.

Now, if the Senator will yield further—

Mr. BRUCE. Certainly.

Mr. COPELAND. I am advised by wise farmers that the actual cost of producing wheat to-day is \$1.75 a bushel, and yet they can not get more than \$1.25 for it. The other 50 cents is the labor put in by the farmer and his family without any return. I am not here to have any dispute with the Senator as to the remedy, but we must face the situation. Here is a disease. Here is this great farm industry going into bankruptcy. There must be found a way to cure it; and if no other way can be found, apparently the only measure before us that has in it any possible hope of relief is this particular measure.

Mr. BRUCE. I do not see any hope of relief in it at all. Every branch of human industry at times has to pass through a process of liquidation. When it is the steel industry, or some other great manufacturing industry, we do not think so much about it. It does not affect so many people, to begin with; but the industry passes through a period of liquidation, and that is followed by a period of reorganization and revival, and the industry starts off again on a new career of usefulness and success. I think that before very long, if we will just cease trying to apply artificial remedies to the agricultural situation, it will take care of itself. There will be some more hardship, even some more distress perhaps, but ultimately the situation will be permanently taken care of; whereas, assuming that the McNary-Haugen bill is workable, I can not see that any lasting results are likely to flow from the purely fictitious kind of relief for which it provides.

Mr. COPELAND. Mr. President, if the Senator will permit me, it seems to me that if we can not give protection to all we can not give protection to any. What I mean to say is, we have a tariff law protecting the manufacturer. We are contributing to him.

Mr. BRUCE. Yes; but we have endeavored to protect the farmer by the tariff. Some Members of the Senate seem to forget that we have a tariff on wheat. Have we not imposed a tariff on wheat, and have we not imposed a tariff on corn, and have we not imposed a tariff on potatoes?

Mr. KING. And on wool and on sheep.

Mr. BRUCE. Yes; certain kinds of wool. Indeed we have. Tariff legislation has done all that tariff legislation possibly could do for the farmer.

Mr. COPELAND. If the Senator will permit me, we know that the tariff on wheat has not been effective.

Mr. BRUCE. That is not the fault of Congress.

Mr. COPELAND. But let us go back to the general proposition of the tariff. By reason of it everything that the farmer

buys is increased in price. He is contributing to the manufacturer by reason of this enhanced price.

Mr. BRUCE. No more than I am or the Senator from New York is.

Mr. COPELAND. No; that is true; but, nevertheless, he is doing it. As a result of the existence of labor unions—and I am in favor of them—the price of labor has been fixed. The law of supply and demand does not operate. It is fixed.

Mr. BRUCE. Not altogether. You can not say that altogether.

Mr. COPELAND. The result is that the farmer's boy goes to the city, and when the farmer wants to hire a man he has to compete with high-priced labor. So the farmer is the victim of the labor union in fixing the price he has to pay for labor, the victim of the tariff system, the victim of the high freight rates; and if he is to contribute to these matters which have become fixed by reason of legislative action, is it not fair, if we can find some way of doing it, to give him the benefit of the same kind of legislative action?

Mr. BRUCE. Yes; but the difference is this: The farmer at the present time is the victim of natural economic causes to which the other elements of American society are not subject. That is what it comes to. In other words, when he goes out to sell his product he has to compete with the whole world. The wheat grower in Montana, for instance, has to compete with the Canadian wheat grower, and with the wheat grower in Hungary and in India and in Russia and in Argentina; in fact with the whole world; and, of course, while Congress is a pretty ambitious body, I take it for granted that it is not ambitious enough to endeavor to correct world-wide conditions which are beyond its power.

That is not true of anybody but the farmer. That is his crowning misfortune. Now, how are you going to make that good to him?

Mr. COPELAND. I do not know that I know how to make it good to him. I am not sure that this bill would, but it is the only remedy that is offered; and it seems to me—and I say this in all kindness—that if the Senator has no remedy to offer he can not find fault with some of us if we take this one.

Mr. BRUCE. If the Senator will pardon me, it seems to me he puts himself in the position of a friend of mine a few years ago who came to me one day and said, "I am in trouble." I said, "What is your trouble?" He was a young man whom I had known for a great many years, a friend of mine, a man of standing. I said, "What is your trouble?" He scratched his head helplessly and said, "Why, I gave a friend of mine a check on a bank where I did not have any funds." I said, "What in the name of heaven did you do that for?" He said, "Because I had to give him something."

That is what the Senator proposes to give to the farmer. He says, "Take the McNary-Haugen bill, because nothing else is in sight." That is not a suggestive reason to my legislative conscience and intellect.

I have, however, said far more than I intended to say on this subject.

#### EXECUTIVE SESSION

Mr. JONES. I move that the Senate proceed to the consideration of executive business.

Mr. HEFLIN. Will the Senator withhold that motion for a moment?

Mr. JONES. Yes.

Mr. HEFLIN. I want to move that the Senate vacate the order which was entered this morning to adjourn until Monday so that it can meet to-morrow at 12 o'clock for the purpose of discussing the Nicaraguan situation.

We can use that time to good advantage and accomplish something by remaining here to-morrow and Saturday and discussing this very important question. It is a question of great moment to the American people, and I believe that if Senators generally had known this morning that this adjournment course was contemplated this action would not have been taken. I was called out of the Chamber for a moment by some Alabama friends. If the request for adjournment had been made in my presence, I would have objected.

I want to move, therefore, that the Senate vacate that order and that we meet to-morrow at 12 o'clock for the purpose of discussing and making known to the country the facts about the Nicaraguan situation.

Mr. JONES. Mr. President, I make the point of order that the unanimous-consent agreement can not be vacated by a motion.

Mr. HEFLIN. Then I ask unanimous consent that it be vacated.

Mr. WILLIS. I object.

The VICE PRESIDENT. Objection is made.

Mr. JONES. I renew my motion that the Senate proceed to the consideration of executive business.

The motion was agreed to, and the Senate proceeded to the consideration of executive business. After five minutes spent in executive session the doors were reopened, and (at 4 o'clock and 43 minutes p. m.) the Senate adjourned, the adjournment being, under the order previously entered, until Monday, January 9, 1928, at 12 o'clock meridian.

#### NOMINATIONS

*Executive nominations received by the Senate January 5, 1928*

##### UNITED STATES COAST GUARD

The following-named persons in the Coast Guard of the United States, to take effect from date of oath:

##### *To be chief boatswains*

Boatswain Albert M. Totzke.  
Boatswain John H. Kahnberg.  
Boatswain Frederick T. Ford.  
Boatswain Harvey S. Browne, jr.  
Boatswain Charles Martinson.  
Boatswain Otto Estad.  
Boatswain Simon B. Natwig.  
Boatswain Albert Nelson.  
Boatswain Hans Hanson.  
Boatswain Karl M. Varness.  
Boatswain Sverre Halvorsen.

##### *To be chief gunners*

Gunner William Woods.  
Gunner Charles Heinzel.  
Gunner Henry C. Sumner.  
Gunner Helge C. Hermann.  
Gunner Bertram G. Balcombe.  
Gunner Antone J. Sousa.

##### *To be chief machinists*

Machinist Louis Spaniol.  
Machinist Thomas G. Odderstol.  
Machinist Edward Derum.  
Machinist Alden E. Blood.  
Machinist Magnus J. Knudsen.  
Machinist Ross G. Blackburn.  
Machinist Frank J. Bennett.  
Machinist William W. DeWever.  
Machinist William F. Kilroy.

##### *To be chief carpenters*

Carpenter Thomas Abrahamson.  
Carpenter Walter Stegman.

##### *To be chief pay clerks*

Pay Clerk William O. Duker.  
Pay Clerk Raymond N. Gillis.  
Pay Clerk Harry F. Brodbeck.  
Pay Clerk Owen P. Thomas.  
Pay Clerk Thomas L. Ryan.  
Pay Clerk Albert Trachtenberg.  
Pay Clerk Louis Brezovic.  
Pay Clerk George D. Batey.  
Pay Clerk Jacob Rosenberg.

##### *To be chief radio electricians*

Radio Electrician Walter W. Reynolds.  
Radio Electrician William W. O'Steen.

The above-named officers have passed the physical and professional examinations required for the promotions for which they are recommended. This is in accordance with the provisions of the act entitled "An act to readjust the commissioned personnel of the Coast Guard, and for other purposes," approved July 3, 1926.

#### POSTMASTERS

##### ALABAMA

Clifford M. Cox to be postmaster at Ozark, Ala., in place of J. A. Eason. Incumbent's commission expired January 29, 1927.

##### ALASKA

Stephen Birch to be postmaster at Kennecott, Alaska, in place of Stephen Birch. Incumbent's commission expired January 3, 1928.

Henry S. Sogn to be postmaster at Anchorage, Alaska, in place of H. S. Sogn. Incumbent's commission expired January 3, 1928.



## ARIZONA

J. Lee Conrad to be postmaster at Scottsdale, Ariz., in place of J. L. Conrad. Incumbent's commission expired December 18, 1927.

## ARKANSAS

George E. Davis to be postmaster at Wynne, Ark., in place of G. E. Davis. Incumbent's commission expired December 19, 1927.

Charles E. Kemp to be postmaster at Trumann, Ark., in place of C. E. Kemp. Incumbent's commission expires January 8, 1928.

Abram J. Hansberry to be postmaster at Ozark, Ark., in place of A. J. Hansberry. Incumbent's commission expires January 7, 1928.

Jason O. Burns to be postmaster at Batesville, Ark., in place of J. O. Burns. Incumbent's commission expired December 19, 1927.

## CALIFORNIA

Homer T. Riddle to be postmaster at Loyalton, Calif., in place of A. G. Sawin, resigned.

William J. Murray to be postmaster at Yucaipa, Calif., in place of W. J. Murray. Incumbent's commission expires January 9, 1928.

Marshall N. Johnson to be postmaster at Windsor, Calif., in place of M. N. Johnson. Incumbent's commission expires January 9, 1928.

Ernest D. Gibson to be postmaster at Van Nuys, Calif., in place of E. D. Gibson. Incumbent's commission expires January 9, 1928.

Henry F. Stahl to be postmaster at Vallejo, Calif., in place of H. F. Stahl. Incumbent's commission expires January 9, 1928.

Mary E. Rozier to be postmaster at Tuolumne, Calif., in place of M. E. Rozier. Incumbent's commission expires January 9, 1928.

Wade J. Williams to be postmaster at Tranquillity, Calif., in place of W. J. Williams. Incumbent's commission expires January 9, 1928.

Ruby Vinten to be postmaster at Terminal Island, Calif., in place of Ruby Vinten. Incumbent's commission expires January 9, 1928.

Peder P. Hornsyld to be postmaster at Solvang, Calif., in place of P. P. Hornsyld. Incumbent's commission expires January 10, 1928.

Patrick C. Mulqueeney to be postmaster at Sawtelle, Calif., in place of P. C. Mulqueeney. Incumbent's commission expires January 9, 1928.

Algera M. Rumsey to be postmaster at Saugus, Calif., in place of A. M. Rumsey. Incumbent's commission expires January 9, 1928.

Grace E. Tooker to be postmaster at Santa Monica, Calif., in place of G. E. Tooker. Incumbent's commission expires January 9, 1928.

Terry E. Stephenson to be postmaster at Santa Ana, Calif., in place of T. E. Stephenson. Incumbent's commission expires January 9, 1928.

Pastor A. H. Arata to be postmaster at San Luis Obispo, Calif., in place of P. A. H. Arata. Incumbent's commission expires January 9, 1928.

Ferris F. Kelly to be postmaster at San Juan Capistrano, Calif., in place of F. F. Kelly. Incumbent's commission expires January 10, 1928.

Harrie C. Caldwell to be postmaster at San Fernando, Calif., in place of H. C. Caldwell. Incumbent's commission expires January 9, 1928.

George G. Hughes to be postmaster at San Bruno, Calif., in place of G. G. Hughes. Incumbent's commission expires January 9, 1928.

Ellery M. Murray to be postmaster at St. Helena, Calif., in place of E. M. Murray. Incumbent's commission expires January 9, 1928.

William Henson to be postmaster at Riverdale, Calif., in place of William Henson. Incumbent's commission expires January 9, 1928.

Sula D. Abbott to be postmaster at Placentia, Calif., in place of S. D. Abbott. Incumbent's commission expires January 9, 1928.

Frederick S. Lowden to be postmaster at Orland, Calif., in place of F. S. Lowden. Incumbent's commission expires January 9, 1928.

Presley E. Berger to be postmaster at Ontario, Calif., in place of P. E. Berger. Incumbent's commission expires January 9, 1928.

George W. Archer to be postmaster at Norwalk, Calif., in place of G. W. Archer. Incumbent's commission expires January 9, 1928.

John H. Tittle to be postmaster at Needles, Calif., in place of J. H. Tittle. Incumbent's commission expires January 9, 1928.

Charles G. Barnes to be postmaster at Morgan Hill, Calif., in place of C. G. Barnes. Incumbent's commission expires January 9, 1928.

Fred F. Darcy to be postmaster at Montebello, Calif., in place of F. F. Darcy. Incumbent's commission expires January 9, 1928.

Fred Lewis to be postmaster at Mayfield, Calif., in place of Fred Lewis. Incumbent's commission expires January 9, 1928.

Edmund V. Wahlberg to be postmaster at Manhattan Beach, Calif., in place of E. V. Wahlberg. Incumbent's commission expires January 9, 1928.

Thomas P. Cosgrave to be postmaster at Madera, Calif., in place of T. P. Cosgrave. Incumbent's commission expires January 9, 1928.

Claude D. Richardson to be postmaster at McFarland, Calif., in place of C. D. Richardson. Incumbent's commission expires January 9, 1928.

Raymond A. Rigor to be postmaster at McCloud, Calif., in place of R. A. Rigor. Incumbent's commission expires January 9, 1928.

Ira B. Jones to be postmaster at Los Molinos, Calif., in place of I. B. Jones. Incumbent's commission expires January 9, 1928.

Charles F. Riedle to be postmaster at Los Banos, Calif., in place of C. F. Riedle. Incumbent's commission expires January 9, 1928.

Daniel McCloskey to be postmaster at Hollister, Calif., in place of Daniel McCloskey. Incumbent's commission expires January 9, 1928.

Corinne Dolcini to be postmaster at Guadalupe, Calif., in place of Corinne Dolcini. Incumbent's commission expires January 9, 1928.

Maude H. Parsons to be postmaster at Gerber, Calif., in place of M. H. Parsons. Incumbent's commission expires January 9, 1928.

Lela P. Meday to be postmaster at El Segundo, Calif., in place of L. P. Meday. Incumbent's commission expires January 9, 1928.

William P. Nye to be postmaster at Covina, Calif., in place of W. P. Nye. Incumbent's commission expires January 9, 1928.

Presentation M. Soto to be postmaster at Concord, Calif., in place of P. M. Soto. Incumbent's commission expires January 9, 1928.

Robert E. Thomas to be postmaster at Clovis, Calif., in place of R. E. Thomas. Incumbent's commission expires January 9, 1928.

Ruth E. Powell to be postmaster at Claremont, Calif., in place of R. E. Powell. Incumbent's commission expires January 9, 1928.

James B. Fugate to be postmaster at Chino, Calif., in place of J. B. Fugate. Incumbent's commission expires January 9, 1928.

George Cunningham to be postmaster at Boulder Creek, Calif., in place of George Cunningham. Incumbent's commission expires January 9, 1928.

Clifford M. Barnes to be postmaster at Big Creek, Calif., in place of C. M. Barnes. Incumbent's commission expires January 9, 1928.

Theodore Rueger to be postmaster at Benicia, Calif., in place of Theodore Rueger. Incumbent's commission expires January 9, 1928.

Walter L. Haley to be postmaster at Associated, Calif., in place of W. L. Haley. Incumbent's commission expires January 9, 1928.

John H. Hoeppel to be postmaster at Arcadia, Calif., in place of J. H. Hoeppel. Incumbent's commission expires January 9, 1928.

James H. Whitaker to be postmaster at Anaheim, Calif., in place of J. H. Whitaker. Incumbent's commission expires January 9, 1928.

## COLORADO

Zella M. Hutchens to be postmaster at Seibert, Colo., in place of H. A. Simmons, removed.

Charles L. Rudel to be postmaster at Fleming, Colo., in place of C. L. Rudel. Incumbent's commission expired December 18, 1927.

## CONNECTICUT

Allen C. Bennett to be postmaster at West Willington, Conn., in place of A. C. Bennett. Incumbent's commission expires January 9, 1928.

Frederick W. Griffin to be postmaster at Cheshire, Conn., in place of F. W. Griffin. Incumbent's commission expires January 8, 1928.

## DISTRICT OF COLUMBIA

William M. Mooney to be postmaster at Washington, D. C., in place of W. M. Mooney. Incumbent's commission expires January 7, 1928.

## FLORIDA

Pearl Beeler to be postmaster at Nokomis, Fla. Office became presidential July 1, 1927.

Joseph P. Hall to be postmaster at Sanford, Fla., in place of J. P. Hall. Incumbent's commission expires January 8, 1928.

Lydia E. Ware to be postmaster at St. Andrew, Fla., in place of L. E. Ware. Incumbent's commission expires January 8, 1928.

William E. Burch to be postmaster at Palmetto, Fla., in place of W. E. Burch. Incumbent's commission expires January 8, 1928.

Lola Miller to be postmaster at Palm Beach, Fla., in place of Lola Miller. Incumbent's commission expires January 8, 1928.

Samuel J. Yoder to be postmaster at Moore Haven, Fla., in place of S. J. Yoder. Incumbent's commission expires January 8, 1928.

Eugene D. Rosenberger to be postmaster at Micanopy, Fla., in place of E. D. Rosenberger. Incumbent's commission expires January 8, 1928.

Ernest B. Wells to be postmaster at Lawtey, Fla., in place of E. B. Wells. Incumbent's commission expires January 8, 1928.

Elisha D. Wightman to be postmaster at Fruitland Park, Fla., in place of E. D. Wightman. Incumbent's commission expires January 8, 1928.

Walter C. Gholson to be postmaster at Chattahoochee, Fla., in place of W. C. Gholson. Incumbent's commission expires January 8, 1928.

James L. Ambrose to be postmaster at Bunnell, Fla., in place of J. L. Ambrose. Incumbent's commission expires January 8, 1928.

Capers S. Weathersbee, jr., to be postmaster at Branford, Fla., in place of C. S. Weathersbee, jr. Incumbent's commission expires January 8, 1928.

Gabriel I. Daurelle to be postmaster at Bowling Green, Fla., in place of G. I. Daurelle. Incumbent's commission expires January 8, 1928.

## GEORGIA

Mrs. Hubert H. Berry to be postmaster at Sparta, Ga., in place of J. M. Lewis. Incumbent's commission expired February 24, 1927.

J. Arthur Westbrook to be postmaster at Powder Springs, Ga., in place of E. D. Lindley. Incumbent's commission expired March 3, 1927.

## HAWAII

Manuel J. Carvalho to be postmaster at Makaweli, Hawaii, in place of C. H. F. Spillner, resigned.

John I. Silva to be postmaster at Elele, Hawaii, in place of J. I. Silva. Incumbent's commission expires January 9, 1928.

## ILLINOIS

Elizabeth K. Welch to be postmaster at Lexington, Ill., in place of H. E. Flesher, removed.

Elmer C. Thorp to be postmaster at Winslow, Ill., in place of E. C. Thorp. Incumbent's commission expires January 8, 1928.

Henry J. Busefink to be postmaster at West Salem, Ill., in place of H. J. Busefink. Incumbent's commission expires January 7, 1928.

Ralph K. Crawford to be postmaster at West Point, Ill., in place of R. K. Crawford. Incumbent's commission expires January 7, 1928.

Charles E. McPheeters to be postmaster at Sullivan, Ill., in place of C. E. McPheeters. Incumbent's commission expires January 7, 1928.

Rollin A. Gouwens to be postmaster at South Holland, Ill., in place of R. A. Gouwens. Incumbent's commission expires January 7, 1928.

William J. Parsons to be postmaster at Silvis, Ill., in place of W. J. Parsons. Incumbent's commission expires January 7, 1928.

Lewis H. Richards to be postmaster at Scales Mound, Ill., in place of L. H. Richards. Incumbent's commission expires January 8, 1928.

Samuel M. Combs to be postmaster at Ridgway, Ill., in place of S. M. Combs. Incumbent's commission expires January 7, 1928.

Ted Henderson to be postmaster at Ridge Farm, Ill., in place of Ted Henderson. Incumbent's commission expires January 7, 1928.

Homer H. Cravens to be postmaster at Plymouth, Ill., in place of H. H. Cravens. Incumbent's commission expires January 7, 1928.

Benjamin F. Bosley to be postmaster at Ransom, Ill., in place of B. F. Bosley. Incumbent's commission expires January 7, 1928.

Charles B. Switzer to be postmaster at Piper City, Ill., in place of C. B. Switzer. Incumbent's commission expires January 7, 1928.

Lewis E. Selby to be postmaster at Pekin, Ill., in place of L. E. Selby. Incumbent's commission expires January 7, 1928.

Lydia Drain to be postmaster at Oconee, Ill., in place of Lydia Drain. Incumbent's commission expires January 7, 1928.

Marion F. Stewart to be postmaster at Moweaqua, Ill., in place of M. F. Stewart. Incumbent's commission expires January 7, 1928.

Clark D. Smith to be postmaster at Milan, Ill., in place of C. D. Smith. Incumbent's commission expires January 7, 1928.

George E. Whitmore to be postmaster at Mendota, Ill., in place of G. E. Whitmore. Incumbent's commission expires January 7, 1928.

Margaret T. Layne to be postmaster at Menard, Ill., in place of M. T. Layne. Incumbent's commission expires January 7, 1928.

Mayme F. Brooke to be postmaster at Matteson, Ill., in place of M. F. Brooke. Incumbent's commission expires January 7, 1928.

Daisy M. Uphaus to be postmaster at Macon, Ill., in place of D. M. Uphaus. Incumbent's commission expires January 7, 1928.

William T. Bedford to be postmaster at La Salle, Ill., in place of W. T. Bedford. Incumbent's commission expires January 7, 1928.

William Sutton to be postmaster at Kempton, Ill., in place of William Sutton. Incumbent's commission expires January 7, 1928.

Ina R. Stout to be postmaster at Hopedale, Ill., in place of I. R. Stout. Incumbent's commission expires January 7, 1928.

Adam P. Brown to be postmaster at Henry, Ill., in place of A. P. Brown. Incumbent's commission expires January 7, 1928.

Silas H. Rich to be postmaster at Gridley, Ill., in place of S. H. Rich. Incumbent's commission expires January 7, 1928.

Elmer L. Trowbridge to be postmaster at Green Valley, Ill., in place of E. L. Trowbridge. Incumbent's commission expires January 7, 1928.

John R. Hanlon to be postmaster at Grant Park, Ill., in place of J. R. Hanlon. Incumbent's commission expires January 7, 1928.

Thomas M. Jones to be postmaster at Goreville, Ill., in place of T. M. Jones. Incumbent's commission expires January 7, 1928.

Charles O. Selfridge to be postmaster at Good Hope, Ill., in place of C. O. Selfridge. Incumbent's commission expires January 7, 1928.

Bennett F. Henderson to be postmaster at Georgetown, Ill., in place of B. F. Henderson. Incumbent's commission expires January 7, 1928.

George J. Patterson to be postmaster at Genoa, Ill., in place of G. J. Patterson. Incumbent's commission expires January 7, 1928.

Walter J. Ehrler to be postmaster at Galena, Ill., in place of W. J. Ehrler. Incumbent's commission expires January 8, 1928.

George L. Spangler to be postmaster at Franklin Grove, Ill., in place of G. L. Spangler. Incumbent's commission expires January 8, 1928.

Perry Westerfield to be postmaster at Frankfort Heights, Ill., in place of Perry Westerfield. Incumbent's commission expires January 7, 1928.

Glenn S. Wade to be postmaster at Farina, Ill., in place of G. S. Wade. Incumbent's commission expires January 7, 1928.

William E. Mickle to be postmaster at Emden, Ill., in place of W. E. Mickle. Incumbent's commission expires January 7, 1928.

Louis O. McKerrow to be postmaster at Elmwood, Ill., in place of L. O. McKerrow. Incumbent's commission expires January 7, 1928.

John E. Moyer to be postmaster at Dixon, Ill., in place of J. E. Moyer. Incumbent's commission expires January 8, 1928.

William W. Taylor to be postmaster at Divernon, Ill., in place of W. W. Taylor. Incumbent's commission expires January 7, 1928.

George A. Kraus to be postmaster at Danvers, Ill., in place of G. A. Kraus. Incumbent's commission expires January 7, 1928.



Carroll C. Porter to be postmaster at Dahlgren, Ill., in place of C. C. Porter. Incumbent's commission expires January 7, 1928.

Fred E. Flessner to be postmaster at Cullom, Ill., in place of F. E. Flessner. Incumbent's commission expires January 7, 1928.

Robert L. Endicott to be postmaster at Crossville, Ill., in place of R. L. Endicott. Incumbent's commission expires January 7, 1928.

Guy H. McKelvey to be postmaster at Coulterville, Ill., in place of G. H. McKelvey. Incumbent's commission expires January 7, 1928.

Herbert D. Short to be postmaster at Coffeen, Ill., in place of H. D. Short. Incumbent's commission expires January 7, 1928.

Thomas F. Wharrie to be postmaster at Coal City, Ill., in place of T. F. Wharrie. Incumbent's commission expires January 7, 1928.

Thomas R. Pearse to be postmaster at Chillicothe, Ill., in place of T. R. Pearse. Incumbent's commission expires January 7, 1928.

Cecil W. Bishop to be postmaster at Carterville, Ill., in place of C. W. Bishop. Incumbent's commission expires January 7, 1928.

Alice Jenkins to be postmaster at Carriers Mills, Ill., in place of Alice Jenkins. Incumbent's commission expires January 7, 1928.

Della M. Green to be postmaster at Cambria, Ill., in place of D. M. Green. Incumbent's commission expires January 7, 1928.

Russell S. Brown to be postmaster at Brighton, Ill., in place of R. S. Brown. Incumbent's commission expires January 7, 1928.

Lewis A. Roberts to be postmaster at Blandinsville, Ill., in place of L. A. Roberts. Incumbent's commission expires January 7, 1928.

William Hughes to be postmaster at Bement, Ill., in place of William Hughes. Incumbent's commission expires January 7, 1928.

Raymond Phillips to be postmaster at Beecher City, Ill., in place of Raymond Phillips. Incumbent's commission expires January 7, 1928.

Gulford M. Humphrey to be postmaster at Beardstown, Ill., in place of G. W. Morton. Incumbent's commission expired January 30, 1926.

John H. Holthaus to be postmaster at Aviston, Ill., in place of J. H. Holthaus. Incumbent's commission expires January 7, 1928.

Fred W. Pitney to be postmaster at Augusta, Ill., in place of F. W. Pitney. Incumbent's commission expires January 7, 1928.

Frank Gain to be postmaster at Astoria, Ill., in place of Frank Gain. Incumbent's commission expires January 7, 1928.

Esther V. Wheeler to be postmaster at Ashmore, Ill., in place of E. V. Wheeler. Incumbent's commission expires January 7, 1928.

Hugh Martin to be postmaster at Argenta, Ill., in place of Hugh Martin. Incumbent's commission expires January 7, 1928.

Lewis B. Tuthill to be postmaster at Anna, Ill., in place of L. B. Tuthill. Incumbent's commission expires January 7, 1928.

#### INDIANA

Austin Palin to be postmaster at Wingate, Ind., in place of Austin Palin. Incumbent's commission expired January 3, 1928.

Edmund H. Imes to be postmaster at Westville, Ind., in place of E. H. Imes. Incumbent's commission expires January 9, 1928.

Edmond M. Wright to be postmaster at North Salem, Ind., in place of E. M. Wright. Incumbent's commission expires January 9, 1928.

Albert J. Baumgartner to be postmaster at Elkhart, Ind., in place of A. J. Baumgartner. Incumbent's commission expired January 3, 1928.

Harry M. Weliever to be postmaster at Darlington, Ind., in place of H. M. Weliever. Incumbent's commission expired January 3, 1928.

Elizabeth Hatfield to be postmaster at Centerville, Ind., in place of Elizabeth Hatfield. Incumbent's commission expires January 9, 1928.

Hugh Horn to be postmaster at Bicknell, Ind., in place of Hugh Horn. Incumbent's commission expired January 3, 1928.

#### IOWA

Carl Wulkau to be postmaster at Williams, Iowa, in place of Carl Wulkau. Incumbent's commission expired January 30, 1927.

Gabriel Pederson to be postmaster at Waterville, Iowa, in place of Gabriel Pederson. Incumbent's commission expired December 19, 1927.

Thomas A. Sanders to be postmaster at Malcom, Iowa, in place of M. A. Brewer. Incumbent's commission expired December 19, 1927.

William Linnevold to be postmaster at Decorah, Iowa, in place of William Linnevold. Incumbent's commission expired December 19, 1927.

Sigvart T. Kittlesby to be postmaster at Calmar, Iowa, in place of S. T. Kittlesby. Incumbent's commission expired December 19, 1927.

#### KANSAS

Frank A. Moore to be postmaster at Tribune, Kans., in place of F. A. Moore. Incumbent's commission expires January 7, 1928.

Patrick H. Lindley to be postmaster at Havana, Kans., in place of P. H. Lindley. Incumbent's commission expires January 9, 1928.

Harry W. Adams to be postmaster at Elkhart, Kans., in place of H. W. Adams. Incumbent's commission expires January 9, 1928.

#### LOUISIANA

Louis Hebert to be postmaster at White Castle, La., in place of Louis Hebert. Incumbent's commission expired January 15, 1927.

Walter B. Eisely to be postmaster at Tallulah, La., in place of W. B. Eisely. Incumbent's commission expires January 7, 1928.

Novilla T. King to be postmaster at Simsboro, La., in place of N. T. King. Incumbent's commission expires January 7, 1928.

William R. Morgan to be postmaster at Mandeville, La., in place of W. R. Morgan. Incumbent's commission expires January 7, 1928.

Lilha B. Brown to be postmaster at Lecompte, La., in place of L. B. Brown. Incumbent's commission expires January 7, 1928.

Edward F. Crawford to be postmaster at Gretna, La., in place of E. F. Crawford. Incumbent's commission expires January 7, 1928.

George W. Varnado to be postmaster at Franklinton, La., in place of G. W. Varnado. Incumbent's commission expires January 7, 1928.

Ralph N. Menetre to be postmaster at Covington, La., in place of R. N. Menetre. Incumbent's commission expires January 7, 1928.

Robert M. Johnson to be postmaster at Colfax, La., in place of R. M. Johnson. Incumbent's commission expires January 7, 1928.

J. Rodney Murrel to be postmaster at Church Point, La., in place of J. R. Murrel. Incumbent's commission expires January 7, 1928.

Thomas L. Ducrest to be postmaster at Broussard, La., in place of T. L. Ducrest. Incumbent's commission expires January 7, 1928.

#### MAINE

Doris C. Sanborn to be postmaster at Dryden, Me., in place of A. E. Cram, resigned.

#### MARYLAND

Guy M. Coale to be postmaster at Upper Marlboro, Md., in place of G. M. Coale. Incumbent's commission expires January 7, 1928.

James J. Shoemaker to be postmaster at Sandy Spring, Md., in place of J. J. Shoemaker. Incumbent's commission expires January 7, 1928.

Jessie P. Smith to be postmaster at Luke, Md., in place of J. P. Smith. Incumbent's commission expires January 7, 1928.

William Marshall to be postmaster at Lonaconing, Md., in place of William Marshall. Incumbent's commission expires January 7, 1928.

William J. Lyon to be postmaster at Hughesville, Md., in place of W. J. Lyon. Incumbent's commission expires January 7, 1928.

James O. Wilson to be postmaster at Hebron, Md., in place of J. O. Wilson. Incumbent's commission expires January 7, 1928.

Luther Bennett to be postmaster at Goldsboro, Md., in place of Luther Bennett. Incumbent's commission expires January 7, 1928.

Walter A. Aaronson to be postmaster at Aberdeen, Md., in place of W. A. Aaronson. Incumbent's commission expires January 7, 1928.

## MASSACHUSETTS

Walter L. Tower to be postmaster at Dalton, Mass., in place of W. L. Tower. Incumbent's commission expires January 9, 1928.

## MICHIGAN

Russel W. Swhier to be postmaster at St. Clair Shores, Mich. Office became presidential January 1, 1928.

Murl H. DeFoe to be postmaster at Charlotte, Mich., in place of M. H. DeFoe. Incumbent's commission expires January 9, 1928.

## MINNESOTA

Lambert L. H. Osberg to be postmaster at Winthrop, Minn., in place of L. L. H. Osberg. Incumbent's commission expired December 19, 1927.

Julia H. Johnson to be postmaster at Windom, Minn., in place of J. H. Johnson. Incumbent's commission expires January 9, 1928.

Lewis B. Krook to be postmaster at New Ulm, Minn., in place of L. B. Krook. Incumbent's commission expires January 9, 1928.

James H. Smullen to be postmaster at Lesueur Center, Minn., in place of J. H. Smullen. Incumbent's commission expired December 19, 1927.

John Briffett to be postmaster at Lake Benton, Minn., in place of John Briffett. Incumbent's commission expires January 9, 1928.

Jennie M. Payne to be postmaster at Goodridge, Minn., in place of J. M. Payne. Incumbent's commission expires January 9, 1928.

## MISSOURI

William H. Tanner to be postmaster at Sikeston, Mo., in place of A. T. Winchester. Incumbent's commission expired February 6, 1927.

## MONTANA

Rose C. Spangler to be postmaster at Superior, Mont., in place of R. C. Spangler. Incumbent's commission expires January 8, 1928.

## NEBRASKA

Paul E. Watts to be postmaster at Unadilla, Nebr. Office became presidential July 1, 1927.

Joseph H. Harrison to be postmaster at Ravenna, Nebr., in place of J. H. Harrison. Incumbent's commission expired December 19, 1927.

John S. Myers to be postmaster at Grant, Nebr., in place of J. S. Myers. Incumbent's commission expires January 7, 1928.

Lewis A. Wight to be postmaster at Gibbon, Nebr., in place of L. A. Wight. Incumbent's commission expired December 19, 1927.

Fred H. Carlson to be postmaster at Alliance, Nebr., in place of F. H. Carlson. Incumbent's commission expired December 19, 1927.

## NEW JERSEY

Anna Heus to be postmaster at Demarest, N. J., in place of Emma Heus, to correct name.

Richard T. Beak to be postmaster at Shrewsbury, N. J., in place of R. T. Beak. Incumbent's commission expires January 10, 1928.

John P. Adair to be postmaster at Highlands, N. J., in place of J. P. Adair. Incumbent's commission expires January 9, 1928.

## NEW YORK

Albert Lynd to be postmaster at Nassau, N. Y., in place of Alice Husted, deceased.

Wallace Moore to be postmaster at Madalin, N. Y., in place of J. T. Hoffman, removed.

Fred H. Van Doren to be postmaster at Lodi, N. Y. Office became presidential July 1, 1927.

Waldron R. Hulst to be postmaster at Lagrangeville, N. Y. Office became presidential July 1, 1926.

C. Irving Henderson to be postmaster at Worcester, N. Y., in place of C. I. Henderson. Incumbent's commission expires January 8, 1928.

M. Clifton Seaman to be postmaster at Woodmere, N. Y., in place of M. C. Seaman. Incumbent's commission expires January 8, 1928.

Jennie C. Stanton to be postmaster at West Camp, N. Y., in place of J. C. Stanton. Incumbent's commission expires January 8, 1928.

Julius H. Fisher to be postmaster at Wellsville, N. Y., in place of J. H. Fisher. Incumbent's commission expires January 8, 1928.

George T. Anderson to be postmaster at Whitesboro, N. Y., in place of G. T. Anderson. Incumbent's commission expires January 8, 1928.

Robert L. Putnam to be postmaster at Weedsport, N. Y., in place of R. L. Putnam. Incumbent's commission expires January 8, 1928.

Ray W. McEwen to be postmaster at Waverly, N. Y., in place of R. W. McEwen. Incumbent's commission expires January 8, 1928.

Marion E. Wroten to be postmaster at Trudeau, N. Y., in place of M. E. Wroten. Incumbent's commission expires January 8, 1928.

Oliver Keator to be postmaster at Tillson, N. Y., in place of Oliver Keator. Incumbent's commission expires January 8, 1928.

William M. Ackerman to be postmaster at Sparkill, N. Y., in place of W. M. Ackerman. Incumbent's commission expires January 8, 1928.

Armon P. Gunnison to be postmaster at Sodus Point, N. Y., in place of A. P. Gunnison. Incumbent's commission expires January 8, 1928.

William A. Hilton to be postmaster at Skaneateles, N. Y., in place of W. A. Hilton. Incumbent's commission expires January 8, 1928.

Helen M. Braisted to be postmaster at Silver Bay, N. Y., in place of H. M. Braisted. Incumbent's commission expires January 8, 1928.

William W. Bates to be postmaster at Sidney, N. Y., in place of W. W. Bates. Incumbent's commission expires January 8, 1928.

Frank A. Erickson to be postmaster at Sherman, N. Y., in place of F. A. Erickson. Incumbent's commission expires January 8, 1928.

William H. Savage to be postmaster at Seneca Falls, N. Y., in place of W. H. Savage. Incumbent's commission expires January 8, 1928.

John D. Fratsher to be postmaster at Saugerties, N. Y., in place of J. D. Fratsher. Incumbent's commission expires January 8, 1928.

George H. Farley to be postmaster at Sag Harbor, N. Y., in place of G. H. Farley. Incumbent's commission expires January 8, 1928.

Max C. Headley to be postmaster at Rushville, N. Y., in place of M. C. Headley. Incumbent's commission expires January 8, 1928.

Bruce S. Preston to be postmaster at Roxbury, N. Y., in place of B. S. Preston. Incumbent's commission expires January 8, 1928.

Park J. Johnson to be postmaster at Ripley, N. Y., in place of P. J. Johnson. Incumbent's commission expires January 8, 1928.

Mabel S. Griswold to be postmaster at Pottersville, N. Y., in place of M. S. Griswold. Incumbent's commission expires January 8, 1928.

Frank V. Palmer to be postmaster at Philmont, N. Y., in place of F. V. Palmer. Incumbent's commission expires January 8, 1928.

John T. Mills to be postmaster at Oyster Bay, N. Y., in place of J. T. Mills. Incumbent's commission expires January 8, 1928.

James Owens to be postmaster at Ossining, N. Y., in place of James Owens. Incumbent's commission expires January 8, 1928.

Carl R. Allen to be postmaster at Oriskany Falls, N. Y., in place of C. R. Allen. Incumbent's commission expires January 8, 1928.

Charles H. Brown to be postmaster at Orchard Park, N. Y., in place of C. H. Brown. Incumbent's commission expires January 8, 1928.

Edith A. Parker to be postmaster at Moravia, N. Y., in place of E. A. Parker. Incumbent's commission expires January 8, 1928.

Perry R. Bennett to be postmaster at Milford, N. Y., in place of P. R. Bennett. Incumbent's commission expires January 8, 1928.

Ernest K. Smith to be postmaster at Middleburg, N. Y., in place of E. K. Smith. Incumbent's commission expires January 8, 1928.

Lizzie M. Tuthill to be postmaster at Mattituck, N. Y., in place of L. M. Tuthill. Incumbent's commission expires January 8, 1928.

Charles L. Stackpole to be postmaster at Lyon Mountain, N. Y., in place of C. L. Stackpole. Incumbent's commission expires January 8, 1928.

Henry Strube to be postmaster at Long Island City, N. Y., in place of Henry Strube. Incumbent's commission expires January 8, 1928.



Lizzie G. Hall to be postmaster at Little Valley, N. Y., in place of L. G. Hall. Incumbent's commission expires January 8, 1928.

Herbert L. Merritt to be postmaster at Katonah, N. Y., in place of H. L. Merritt. Incumbent's commission expires January 8, 1928.

Joseph R. Cowell to be postmaster at Jordan, N. Y., in place of J. R. Cowell. Incumbent's commission expires January 8, 1928.

Skidmore Pettit, jr., to be postmaster at Jamaica, N. Y., in place of Skidmore Pettit, jr. Incumbent's commission expires January 8, 1928.

Thomas J. Wintermute, jr., to be postmaster at Horseheads, N. Y., in place of T. J. Wintermute, jr. Incumbent's commission expires January 8, 1928.

Frank W. Thornton to be postmaster at Holland, N. Y., in place of F. W. Thornton. Incumbent's commission expires January 8, 1928.

Clara E. Tetterer to be postmaster at Hewlett, N. Y., in place of C. E. Tetterer. Incumbent's commission expires January 8, 1928.

Claude H. Preston to be postmaster at Heuvelton, N. Y., in place of C. H. Preston. Incumbent's commission expires January 8, 1928.

Walter J. Pelham to be postmaster at Hensonville, N. Y., in place of W. J. Pelham. Incumbent's commission expires January 8, 1928.

Ray F. Dunlop to be postmaster at Harrisville, N. Y., in place of R. F. Dunlop. Incumbent's commission expires January 8, 1928.

Ella E. Rodger to be postmaster at Hammond, N. Y., in place of E. E. Rodger. Incumbent's commission expires January 8, 1928.

Will E. Roberts to be postmaster at Granville, N. Y., in place of W. E. Roberts. Incumbent's commission expires January 8, 1928.

Paul W. Christenson to be postmaster at Gowanda, N. Y., in place of P. W. Christenson. Incumbent's commission expires January 8, 1928.

Arthur Decker to be postmaster at Goshen, N. Y., in place of Arthur Decker. Incumbent's commission expires January 9, 1928.

Edward T. Cole to be postmaster at Garrison, N. Y., in place of E. T. Cole. Incumbent's commission expires January 8, 1928.

William A. Patterson to be postmaster at Gansevoort, N. Y., in place of W. A. Patterson. Incumbent's commission expires January 8, 1928.

Walter A. Pierce to be postmaster at Fort Ann, N. Y., in place of W. A. Pierce. Incumbent's commission expires January 8, 1928.

Philip F. Schaefer to be postmaster at Fleischmanns, N. Y., in place of P. F. Schaefer. Incumbent's commission expires January 8, 1928.

Gaylord F. Carpenter to be postmaster at Elbridge, N. Y., in place of G. F. Carpenter. Incumbent's commission expires January 8, 1928.

George A. Matthews to be postmaster at Eden, N. Y., in place of G. A. Matthews. Incumbent's commission expires January 8, 1928.

Raymond L. Hodge to be postmaster at East Syracuse, N. Y., in place of R. L. Hodge. Incumbent's commission expires January 8, 1928.

Rhoda Hoyt Lee to be postmaster at Dundee, N. Y., in place of R. H. Lee. Incumbent's commission expires January 8, 1928.

Mabel I. Alverson to be postmaster at Dexter, N. Y., in place of M. I. Alverson. Incumbent's commission expires January 8, 1928.

George C. Palmer to be postmaster at Cuba, N. Y., in place of G. C. Palmer. Incumbent's commission expires January 8, 1928.

Clarence L. Grippen to be postmaster at Corinth, N. Y., in place of C. L. Grippen. Incumbent's commission expires January 8, 1928.

Norman D. Higby to be postmaster at Constableville, N. Y., in place of N. D. Higby. Incumbent's commission expires January 9, 1928.

Carolyn F. Parker to be postmaster at Chestertown, N. Y., in place of C. F. Parker. Incumbent's commission expires January 8, 1928.

Margaret R. Mulligan to be postmaster at Central Islip, N. Y., in place of M. R. Mulligan. Incumbent's commission expires January 8, 1928.

Charles W. Brock to be postmaster at Cattaraugus, N. Y., in place of C. W. Brock. Incumbent's commission expires January 8, 1928.

Ernest K. Hudson to be postmaster at Castleton on Hudson, N. Y., in place of E. K. Hudson. Incumbent's commission expires January 9, 1928.

Lawrence R. Ryckman to be postmaster at Brocton, N. Y., in place of L. R. Ryckman. Incumbent's commission expires January 8, 1928.

George H. Farley to be postmaster at Broadalbin, N. Y., in place of G. H. Farley. Incumbent's commission expires January 8, 1928.

Maud Rogers to be postmaster Bridgehampton, N. Y., in place of Maud Rogers. Incumbent's commission expires January 8, 1928.

Rudolph W. Schoverling to be postmaster at Bayville, N. Y., in place of R. W. Schoverling. Incumbent's commission expires January 9, 1928.

Clarence G. Jones to be postmaster at Barneveld, N. Y., in place of C. G. Jones. Incumbent's commission expires January 8, 1928.

Arthur L. Howard to be postmaster at Baldwinsville, N. Y., in place of A. L. Howard. Incumbent's commission expires January 8, 1928.

Howard E. Whealey to be postmaster at Baldwin, N. Y., in place of H. E. Whealey. Incumbent's commission expires January 8, 1928.

Joseph A. Douglas to be postmaster at Babylon, N. Y., in place of J. A. Douglas. Incumbent's commission expires January 8, 1928.

Annie J. McFadden to be postmaster at Ardsley, N. Y., in place of A. J. McFadden. Incumbent's commission expires January 8, 1928.

Charles N. Wood to be postmaster at Angola, N. Y., in place of C. N. Wood. Incumbent's commission expires January 8, 1928.

#### NORTH DAKOTA

Clarence B. Stinson to be postmaster at Warwick, N. Dak., in place of C. B. Stinson. Incumbent's commission expires January 8, 1928.

Elizabeth J. Olson to be postmaster at Medina, N. Dak., in place of E. J. Olson. Incumbent's commission expires January 8, 1928.

Donald B. McDonald to be postmaster at Maxbass, N. Dak., in place of D. B. McDonald. Incumbent's commission expires January 9, 1928.

Nellie E. Gagner to be postmaster at Lignite, N. Dak., in place of N. E. Gagner. Incumbent's commission expires January 9, 1928.

Ella C. Sweeney to be postmaster at Berthold, N. Dak., in place of E. C. Sweeney. Incumbent's commission expires January 8, 1928.

#### OHIO

Milton W. Stout to be postmaster at West Liberty, Ohio, in place of M. W. Stout. Incumbent's commission expired December 19, 1927.

Russel A. Medaugh to be postmaster at Spencerville, Ohio, in place of R. A. Medaugh. Incumbent's commission expired December 19, 1927.

Alta N. Johnson to be postmaster at Rushsylvania, Ohio, in place of A. N. Johnson. Incumbent's commission expired December 19, 1927.

James E. Simpson, jr., to be postmaster at Racine, Ohio, in place of G. A. Circle. Incumbent's commission expired December 4, 1926.

Charles T. Cline to be postmaster at New Matamoras, Ohio, in place of C. T. Cline. Incumbent's commission expires January 9, 1928.

Fred O. Simpson to be postmaster at Belle Center, Ohio, in place of F. O. Simpson. Incumbent's commission expired December 19, 1927.

#### OREGON

Charles R. Tyler to be postmaster at Yambrill, Oreg., in place of C. R. Tyler. Incumbent's commission expires January 9, 1928.

Josephine T. Stark to be postmaster at Sutherlin, Oreg., in place of J. T. Stark. Incumbent's commission expires January 10, 1928.

Lyle B. Chappell to be postmaster at North Bend, Oreg., in place of L. B. Chappell. Incumbent's commission expires January 10, 1928.

#### PENNSYLVANIA

Amos E. Chick to be postmaster at Wehrum, Pa. Office became presidential July 1, 1927.

Susanna S. Hartman to be postmaster at Yardley, Pa., in place of S. S. Hartman. Incumbent's commission expires January 8, 1928.

Wayne Elliott to be postmaster at West Chester, Pa., in place of Wayne Elliott. Incumbent's commission expires January 8, 1928.

Charles F. Wenrich to be postmaster at Wernersville, Pa., in place of C. F. Wenrich. Incumbent's commission expires January 8, 1928.

Maurice F. O'Connell to be postmaster at Susquehanna, Pa., in place of M. F. O'Connell. Incumbent's commission expires January 8, 1928.

Thomas Y. Tarlton to be postmaster at Summithill, Pa., in place of T. Y. Tarlton. Incumbent's commission expires January 8, 1928.

Peter L. Rohrer to be postmaster at Smoketown, Pa., in place of P. L. Rohrer. Incumbent's commission expires January 8, 1928.

Richard L. Harpel to be postmaster at Sinking Spring, Pa., in place of R. L. Harpel. Incumbent's commission expires January 8, 1928.

Eberhard D. Smith to be postmaster at Sellersville, Pa., in place of E. D. Smith. Incumbent's commission expires January 8, 1928.

George B. Wilcox to be postmaster at Portland, Pa., in place of G. B. Wilcox. Incumbent's commission expires January 8, 1928.

Nora L. Pickering to be postmaster at Peckville, Pa., in place of N. L. Pickering. Incumbent's commission expires January 8, 1928.

Raymond A. Kistler to be postmaster at Palmerton, Pa., in place of R. A. Kistler. Incumbent's commission expires January 8, 1928.

Samuel J. Matthews to be postmaster at Olyphant, Pa., in place of S. J. Matthews. Incumbent's commission expires January 8, 1928.

Naomi G. Hazell to be postmaster at Norwood Station, Pa., in place of N. G. Hazell. Incumbent's commission expires January 8, 1928.

David B. Seasholtz to be postmaster at North Wales, Pa., in place of D. B. Seasholtz. Incumbent's commission expires January 8, 1928.

Bert D. Stephens to be postmaster at Nicholson, Pa., in place of B. D. Stephens. Incumbent's commission expires January 8, 1928.

William E. Marsden to be postmaster at Nesquehoning, Pa., in place of W. E. Marsden. Incumbent's commission expires January 8, 1928.

William E. Henry to be postmaster at Nazareth, Pa., in place of W. E. Henry. Incumbent's commission expires January 8, 1928.

Phares S. Auxer to be postmaster at Mountville, Pa., in place of P. S. Auxer. Incumbent's commission expires January 8, 1928.

John W. Clouse to be postmaster at Moscow, Pa., in place of J. W. Clouse. Incumbent's commission expires January 8, 1928.

John L. Eppley to be postmaster at Mechanicsburg, Pa., in place of J. L. Eppley. Incumbent's commission expires January 8, 1928.

Henry B. Haines to be postmaster at Maytown, Pa., in place of H. B. Haines. Incumbent's commission expires January 8, 1928.

Claude W. Keiser to be postmaster at Lykens, Pa., in place of C. W. Keiser. Incumbent's commission expires January 8, 1928.

Henry M. Stauffer to be postmaster at Leola, Pa., in place of H. M. Stauffer. Incumbent's commission expires January 8, 1928.

Allen L. Shomo to be postmaster at Hamburg, Pa., in place of A. L. Shomo. Incumbent's commission expires January 8, 1928.

Irene M. Tiffany to be postmaster at Hallstead, Pa., in place of I. M. Tiffany. Incumbent's commission expires January 8, 1928.

Warren R. Grove to be postmaster at Greencastle, Pa., in place of W. R. Grove. Incumbent's commission expires January 8, 1928.

Edward E. Fricker to be postmaster at Glenside, Pa., in place of E. E. Fricker. Incumbent's commission expires January 8, 1928.

George W. Larkins to be postmaster at Ford City, Pa., in place of G. W. Larkins. Incumbent's commission expires January 10, 1928.

Oscar W. Welsh to be postmaster at Douglassville, Pa., in place of O. W. Welsh. Incumbent's commission expires January 8, 1928.

J. Beaver Gearhart to be postmaster at Danville, Pa., in place of W. L. Gouger. Incumbent's commission expired February 10, 1927.

Harry M. Logan to be postmaster at Conshohocken, Pa., in place of H. M. Logan. Incumbent's commission expires January 8, 1928.

John K. Hagerty to be postmaster at Chester, Pa., in place of J. K. Hagerty. Incumbent's commission expires January 8, 1928.

George H. Houck to be postmaster at Cairnbrook, Pa., in place of G. H. Houck. Incumbent's commission expires January 8, 1928.

Otis J. Pandel to be postmaster at Burnham, Pa., in place of O. J. Pandel. Incumbent's commission expires January 8, 1928.

Luther F. Gilbert to be postmaster at Boyertown, Pa., in place of L. F. Gilbert. Incumbent's commission expires January 8, 1928.

Stanley L. Bechtel to be postmaster at Bally, Pa., in place of S. L. Bechtel. Incumbent's commission expires January 8, 1928.

John F. Schwarzauber to be postmaster at Archbald, Pa., in place of J. F. Schwarzauber. Incumbent's commission expires January 8, 1928.

#### RHODE ISLAND

Frank A. Rixford to be postmaster at Woonsocket, R. I., in place of F. A. Rixford. Incumbent's commission expires January 7, 1928.

Edwin S. Babcock to be postmaster at Saunderstown, R. I., in place of E. S. Babcock. Incumbent's commission expires January 10, 1928.

Catherine M. Green to be postmaster at Portsmouth, R. I., in place of C. M. Green. Incumbent's commission expires January 10, 1928.

Thatcher T. Bowler to be postmaster at Newport, R. I., in place of T. T. Bowler. Incumbent's commission expires January 10, 1928.

Hartzell R. Birch to be postmaster at Kingston, R. I., in place of H. R. Birch. Incumbent's commission expires January 10, 1928.

George T. Lund to be postmaster at Greystone, R. I., in place of G. T. Lund. Incumbent's commission expires January 10, 1928.

George W. Warren to be postmaster at Bristol, R. I., in place of G. W. Warren. Incumbent's commission expires January 7, 1928.

Mary V. Nichols to be postmaster at Bradford, R. I., in place of M. V. Nichols. Incumbent's commission expires January 10, 1928.

Almira B. Lewis to be postmaster at Ashaway, R. I., in place of A. B. Lewis. Incumbent's commission expires January 10, 1928.

#### SOUTH CAROLINA

Thomas J. Bolin to be postmaster at Neeses, S. C., in place of T. J. Bolin. Incumbent's commission expires January 8, 1928.

Fred L. Timmerman to be postmaster at Graniteville, S. C., in place of F. L. Timmerman. Incumbent's commission expires January 8, 1928.

Carl M. Norton to be postmaster at Estill, S. C., in place of C. M. Norton. Incumbent's commission expires January 8, 1928.

Samuel L. Myers to be postmaster at Chester, S. C., in place of S. L. Myers. Incumbent's commission expires January 9, 1928.

Dora C. Folk to be postmaster at Brunson, S. C., in place of D. C. Folk. Incumbent's commission expires January 8, 1928.

Waula E. Westbrook to be postmaster at Blacksburg, S. C., in place of W. E. Westbrook. Incumbent's commission expires January 8, 1928.

#### SOUTH DAKOTA

Guy M. King to be postmaster at Wessington, S. Dak., in place of G. M. King. Incumbent's commission expired December 18, 1927.

#### TENNESSEE

Harry K. Dodson to be postmaster at Kenton, Tenn., in place of H. K. Dodson. Incumbent's commission expires January 9, 1928.

John F. Gaines to be postmaster at Gainesboro, Tenn., in place of J. F. Gaines. Incumbent's commission expired December 19, 1927.



## TEXAS

Grover C. Stephens to be postmaster at Sierra Blanca, Tex., in place of G. C. Stephens. Incumbent's commission expired December 19, 1927.

James M. Cottle to be postmaster at Moran, Tex., in place of J. M. Cottle. Incumbent's commission expired December 19, 1927.

Andrew J. Harrison to be postmaster at Goldthwaite, Tex., in place of A. J. Harrison. Incumbent's commission expired December 19, 1927.

William N. Moore to be postmaster at Fort Worth, Tex., in place of W. N. Moore. Incumbent's commission expires January 7, 1928.

Vivian B. Boone to be postmaster at Fabens, Tex., in place of V. B. Boone. Incumbent's commission expires January 7, 1928.

Arno L. Wahrmond to be postmaster at Eagle Lake, Tex., in place of A. L. Wahrmond. Incumbent's commission expired December 19, 1927.

Henrietta Fricke to be postmaster at Brenham, Tex., in place of Henrietta Fricke. Incumbent's commission expires January 10, 1928.

## VERMONT

Edward H. Willis to be postmaster at Pittsford, Vt., in place of E. H. Willis. Incumbent's commission expires January 9, 1928.

Murray K. Paris to be postmaster at Lyndon, Vt., in place of M. K. Paris. Incumbent's commission expires January 9, 1928.

## WASHINGTON

James H. Adams to be postmaster at Waitsburg, Wash., in place of J. H. Adams. Incumbent's commission expires January 7, 1928.

Emmett V. Fleming to be postmaster at Springdale, Wash., in place of E. V. Fleming. Incumbent's commission expires January 7, 1928.

Robert O. Logsdon to be postmaster at Sprague, Wash., in place of R. O. Logsdon. Incumbent's commission expires January 7, 1928.

Warren P. Cressy to be postmaster at South Bend, Wash., in place of W. P. Cressy. Incumbent's commission expires January 7, 1928.

Charles M. Perkins to be postmaster at Seattle, Wash., in place of C. M. Perkins. Incumbent's commission expires January 7, 1928.

James Lane to be postmaster at Roslyn, Wash., in place of James Lane. Incumbent's commission expires January 7, 1928.

Fred B. Goldsworthy to be postmaster at Rosalia, Wash., in place of F. B. Goldsworthy. Incumbent's commission expires January 7, 1928.

John W. Cowdery to be postmaster at Rainier, Wash., in place of J. W. Cowdery. Incumbent's commission expires January 7, 1928.

George W. Edgerton to be postmaster at Puyallup, Wash., in place of G. W. Edgerton. Incumbent's commission expires January 7, 1928.

Hazel P. McVicker to be postmaster at Port Blakely, Wash., in place of H. P. McVicker. Incumbent's commission expires January 7, 1928.

Charles A. Fiedler to be postmaster at Newport, Wash., in place of C. A. Fiedler. Incumbent's commission expires January 10, 1928.

James C. Blevins to be postmaster at Naches, Wash., in place of J. C. Blevins. Incumbent's commission expires January 7, 1928.

Anna M. Robertson to be postmaster at Montesano, Wash., in place of A. M. Robertson. Incumbent's commission expires January 7, 1928.

Andrew H. Byram to be postmaster at Millwood, Wash., in place of A. H. Byram. Incumbent's commission expires January 7, 1928.

Ernest R. Anderson to be postmaster at La Center, Wash., in place of E. R. Anderson. Incumbent's commission expires January 7, 1928.

Charles C. Mulligan to be postmaster at Kirkland, Wash., in place of C. C. Mulligan. Incumbent's commission expires January 7, 1928.

Tillman E. Kamerer to be postmaster at Hanford, Wash., in place of T. E. Kamerer. Incumbent's commission expires January 7, 1928.

Herbert P. Fisher to be postmaster at Garfield, Wash., in place of H. P. Fisher. Incumbent's commission expires January 7, 1928.

Henning E. Johnson to be postmaster at Du Pont, Wash., in place of H. E. Johnson. Incumbent's commission expires January 9, 1928.

William W. Woodward to be postmaster at Darrington, Wash., in place of W. W. Woodward. Incumbent's commission expires January 7, 1928.

Will T. Howard to be postmaster at Coupeville, Wash., in place of W. T. Howard. Incumbent's commission expires January 7, 1928.

Arthur B. Cass to be postmaster at Connell, Wash., in place of A. B. Cass. Incumbent's commission expires January 7, 1928.

Julius C. Raaberg to be postmaster at Clarkston, Wash., in place of J. C. Raaberg. Incumbent's commission expires January 7, 1928.

Eliza F. Head to be postmaster at Cathlamet, Wash., in place of E. F. Head. Incumbent's commission expires January 7, 1928.

Allison C. Presson to be postmaster at Buena, Wash., in place of A. C. Presson. Incumbent's commission expires January 7, 1928.

Mark Harris to be postmaster at Brush Prairie, Wash., in place of Mark Harris. Incumbent's commission expires January 7, 1928.

Fred H. Tonkin to be postmaster at Black Diamond, Wash., in place of F. H. Tonkin. Incumbent's commission expires January 7, 1928.

Charles P. Stapp to be postmaster at Anacortes, Wash., in place of C. P. Stapp. Incumbent's commission expires January 7, 1928.

Louis H. Gurnsey to be postmaster at Addy, Wash., in place of L. H. Gurnsey. Incumbent's commission expires January 7, 1928.

William G. Powell to be postmaster at Aberdeen, Wash., in place of W. G. Powell. Incumbent's commission expires January 7, 1928.

## WEST VIRGINIA

George Kirchner to be postmaster at Everettville, W. Va. Office became presidential July 1, 1927.

## WISCONSIN

Lewis H. Cook to be postmaster at Wausau, Wis., in place of L. H. Cook. Incumbent's commission expires January 7, 1928.

Henry J. La Grandeur to be postmaster at Somerset, Wis., in place of H. J. La Grandeur. Incumbent's commission expires January 7, 1928.

Walter F. Martin to be postmaster at Mukwonago, Wis., in place of W. F. Martin. Incumbent's commission expires January 7, 1928.

William A. Devine to be postmaster at Madison, Wis., in place of W. A. Devine. Incumbent's commission expires January 7, 1928.

Theodore B. Ottum to be postmaster at McFarland, Wis., in place of T. B. Ottum. Incumbent's commission expires January 7, 1928.

Carl L. Christianson to be postmaster at Bloomer, Wis., in place of C. L. Christianson. Incumbent's commission expires January 7, 1928.

Thomas A. Walby to be postmaster at Hudson, Wis., in place of T. A. Walby. Incumbent's commission expires January 7, 1928.

John Meili to be postmaster at Alma, Wis., in place of John Meili. Incumbent's commission expires January 7, 1928.

## WYOMING

Henry C. Miller to be postmaster at Douglas, Wyo., in place of H. C. Miller. Incumbent's commission expires January 9, 1928.

## CONFIRMATIONS

*Executive nominations confirmed by the Senate January 5, 1928*

## DIPLOMATIC AND CONSULAR SERVICE

Thomas M. Wilson to be consul general and secretary.

## REGISTERS OF THE LAND OFFICE

Vincent B. May to be register of land office, Las Cruces, N. Mex.

Frank P. Light to be register of land office, Lakeview, Oreg.

## POSTMASTERS

## GEORGIA

Bennie Leviton, Fargo.

Pet L. Cooke, Sparks.

## KENTUCKY

James W. Felkins, Albany.

Roy Fraim, Alva.

Ella Dabney, Coxton.

James H. Turner, Evarts.

Chris L. Tartar, Somerset.

## NEW HAMPSHIRE

Adin R. Chapman, Berlin.  
 Harry L. D. Severance, Claremont.  
 May F. Sumner, Goffstown.  
 Maurice H. Randall, Haverhill.  
 Jesse C. Parker, Hillsboro.  
 Harriet O. Harriman, Jackson.  
 Charles L. Bemis, Marlboro.  
 Arthur J. Gould, New London.  
 Harold B. Pinkham, Newmarket.  
 Stella E. Coburn, North Rochester.  
 Harry F. Smith, Peterboro.  
 George P. Furbush, Rochester.  
 Charles E. Winn, Somersworth.  
 Harvey E. Gates, Troy.

## NEW MEXICO

Frederic L. Sammis, Cimarron.  
 James R. Roberts, Elida.  
 Earl Douglass, Farmington.  
 Marie J. O'Bryan, Santa Fe.

## NORTH CAROLINA

John B. Lonon, Ashford.  
 John F. Barlow, Banners Elk.  
 Andrew J. DeHart, Bryson City.  
 George E. Sweet, Cornelius.  
 Alice W. Starr, Creswell.  
 James H. Darden, Faison.  
 John S. Downing, Fayetteville.  
 Nugent B. Hester, Fuquay Springs.  
 Andrew J. Runion, Hot Springs.  
 Marvin E. Barrett, Jackson.  
 Leah J. Franck, Jacksonville.  
 Robert W. Taylor, Lucama.  
 John A. Klein, Morehead City.  
 Flora E. Schlabach, Moyock.  
 Rosa J. Cooper, Nashville.  
 John H. Williams, Pikeville.  
 George W. Cox, Raeford.  
 Calvin L. Hill, Saluda.  
 Jacob H. Quinn, Shelby.  
 Robert H. Dixon, Siler City.  
 Sudie M. Morgan, Spindale.  
 Grace B. Fagg, Stoneville.  
 William P. King, Windsor.  
 Fronie Perry, Wingate.

## OHIO

Fred H. Tibbetts, Columbus.

## PENNSYLVANIA

William H. D. Moyer, White Haven.

## TENNESSEE

Bassil G. Taylor, Mason.

## VIRGINIA

G. Buford Bralley, Austinville.  
 Virgie C. Goode, Bassetts.  
 Ralph W. Teates, Bealeton.  
 Ella E. Ames, Belle Haven.  
 Charles R. Whitmore, Broadway.  
 William H. Haney, Claremont.  
 John R. Jones, Cleveland.  
 Charles W. Kilgore, Coeburn.  
 Gilmer T. Slusser, Fincastle.  
 Emmett L. Allen, Glenallen.  
 James O. Humphreys, Goshen.  
 Ernest M. Williams, Ivanhoe.  
 Caroline E. Bristow, Ivor.  
 Thomas L. Waters, Konnarock.  
 William E. Shaver, Maurertown.  
 Henry A. Storm, McLean.  
 Charles M. Saunders, Milford.  
 Harrison H. Dodge, Mount Vernon on the Potomac.  
 Frank M. Brown, National Soldiers Home.  
 Ruth O. Griffin, Newsoms.  
 Edward P. Schultz, Onancock.  
 Alice M. Welch, Phoebus.  
 Robert M. Bradshaw, Rice.  
 Walter E. Richmond, Rural Retreat.  
 Emmett W. Brittle, Wakefield.  
 Richard D. Holland, Windsor.

## WEST VIRGINIA

Hugh W. Cox, Morgantown.

## WISCONSIN

Albert C. Holmes, Evansville.  
 Edward C. Rehfeld, Horicon.  
 Lawrence W. Daniels, Kansasville.  
 Russell E. Burlingame, Statesan.  
 Ernest W. Mederith, Union Grove.  
 William A. Devine, Madison.

## WITHDRAWAL

*Executive nomination withdrawn from the Senate January 5, 1928*

## POSTMASTER

## NEW MEXICO

Nemesina Sandoval to be postmaster at Bernalillo, in the State of New Mexico.

## HOUSE OF REPRESENTATIVES

THURSDAY, January 5, 1928

The House met at 12 o'clock noon and was called to order by the Speaker.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

All our times are in Thine hands, O God, and gratitude fills our hearts to-day! Give us the light of Thy truth; invigorate our understanding that we may have right discernment in the solution of all problems. Ours is a moral duty which no one can ignore and no individual can evade. May we stand forth on the golden roll of those of every age who have wrought righteousness, tamed wickedness, and contributed to the ethical assets of their day. In the volume of life's experience may we be inspired by the lessons of courage, of faith in God, of confidence in our institutions, and devotion to the principles of education and liberty. Through Jesus Christ our Lord. Amen.

The Journal of the proceedings of yesterday was read and approved.

## MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Crockett, its Chief Clerk, announced that the Senate had passed without amendment an act (H. R. 6657) to extend the times for commencing and completing the construction of a bridge across the Columbia River near Kettle Falls, Wash.

The message also announced that the Senate had passed with an amendment an act (H. R. 483) authorizing the Secretary of the Treasury to acquire certain lands within the District of Columbia to be used as sites for public buildings, in which the concurrence of the House was requested.

The message also announced that the Senate had passed with an amendment the joint resolution (H. J. Res. 82) to continue commissioners in the Court of Claims, in which the concurrence of the House was requested.

The message also announced that the Senate had passed bills and joint resolution of the following titles, in which the concurrence of the House was requested:

S. 1398. An act relating to pardons;

S. 1661. An act to authorize the Secretary of the Interior to transfer the Okanogan project, in the State of Washington, to the Okanogan irrigation district upon payment of charges stated; and

S. J. Res. 47. Joint resolution proposing an amendment to the Constitution of the United States fixing the commencement of the terms of President and Vice President and Members of Congress and fixing the time of the assembling of Congress.

## SWEARING IN A MEMBER

Mr. SPROUL of Kansas appeared before the Speaker's rostrum and took the oath of office.

## ACQUISITION OF LAND IN THE DISTRICT OF COLUMBIA

Mr. ELLIOTT. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 483) authorizing the Secretary of the Treasury to acquire certain land within the District of Columbia, to be used as sites for public buildings, with a Senate amendment, and concur in the Senate amendment.

The SPEAKER. The gentleman from Indiana asks unanimous consent to take from the Speaker's table the bill H. R. 483, with a Senate amendment, and concur in the Senate amendment. The Clerk will report the bill by title.